

United States District Court

FOR THE
NORTHERN DISTRICT OF CALIFORNIA

VENUE: SAN FRANCISCO

CR11-0573 JSW

FILED
MAR 12 2013
RICHARD W. WICKING
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

v.

WALTER LIAN-HEEN LIEW, a.k.a. LIU YUANXUAN,
CHRISTINA HONG QIAO LIEW, a.k.a. QIAO HONG,
ROBERT J. MAEGERLE, USA PERFORMANCE
TECHNOLOGY, INC., TZE CHAO, a.k.a. ZHI ZHAO,
HOU SHENGDONG, PANGANG GROUP COMPANY,
LTD., PANGANG GROUP STEEL VANADIUM &
TITANIUM COMPANY, LTD., PANGANG GROUP
TITANIUM INDUSTRY COMPANY, LTD., and
PANGANG GROUP INTERNATIONAL ECONOMIC &
TRADING COMPANY. ✚

DEFENDANT(S).

SECOND SUPERSEDING INDICTMENT

26 U.S.C. § 7206(1) - Filing False Tax Return;
18 U.S.C. § 152(3)- False Statements in Bankruptcy Proceedings;
18 U.S.C. § 152(2) - False Oath in Bankruptcy Proceedings

A true bill.

Julian Muri

Foreman

Filed in open court this 12 day of

March 2013
Jim Hall

Clerk

Bail, \$ no process
no

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

OFFENSE CHARGED

see attached penalty sheet

- Petty
- Minor
- Misdemeanor
- Felony

PENALTY: see attached penalty sheet

DEFENDANT - U.S.

▶ WALTER LIAN-HEEN LIEW, a.k.a. Liu Yuanxuan

DISTRICT COURT NUMBER
CR 11-0573 JSW

FILED
MAR 12 2013

RICHARD W. WIEKING
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a re prosecution of charges previously dismissed which were dismissed on motion of:

U.S. ATTORNEY DEFENSE

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

IS NOT IN CUSTODY

Has not been arrested, pending outcome of this proceeding.

- 1) If not detained give date any prior summons was served on above charges ▶
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
- 5) On another conviction } Federal State
- 6) Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No

If "Yes" give date filed

DATE OF ARREST ▶ Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY ▶ Month/Day/Year

Name and Office of Person Furnishing Information on this form MELINDA HAAG

U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) Peter Axelrod & John Hemann

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

Bail Amount: _____

If Summons, complete following:

Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address: _____

Date/Time: _____ Before Judge: _____

Comments:

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

see attached penalty sheet

- Petty
- Minor
- Misdemeanor
- Felony

PENALTY: see attached penalty sheet

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

DEFENDANT - U.S.

CHRISTINA HONG QIAO LIEW, a.k.a. Qiao Hong

DISTRICT COURT NUMBER
CR 11-0573 JSW

FILED
MAR 12 2013

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a reprosecution of charges previously dismissed which were dismissed on motion of:

U.S. ATTORNEY DEFENSE

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form MELINDA HAAG

U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned)

Peter Axelrod & John Hemann

IS NOT IN CUSTODY

Has not been arrested, pending out of court proceeding.

- 1) If not detained give date any prior summons was served on above charges
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
 - 5) On another conviction } Federal State
 - 6) Awaiting trial on other charges
- If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

Bail Amount: _____

If Summons, complete following:

Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address:

Date/Time: _____ Before Judge: _____

Comments:

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

see attached penalty sheet

- Petty
- Minor
- Misdemeanor
- Felony

PENALTY: see attached penalty sheet

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

DEFENDANT - U.S.

▶ ROBERT J. MAEGERLE

DISTRICT COURT NUMBER
CR 11-0573 JSW

FILED
MAR 12 2013

RICHARD W. WIEKING
CLERK OF DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a re prosecution of charges previously dismissed which were dismissed on motion of:

U.S. ATTORNEY DEFENSE

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

IS NOT IN CUSTODY

Has not been arrested, pending outcome of proceeding.

- 1) If not detained give date any prior summons was served on above charges
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
 - 5) On another conviction } Federal State
 - 6) Awaiting trial on other charges
- If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

This report amends AO 257 previously submitted

Name and Office of Person Furnishing Information on this form MELINDA HAAG

U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) Peter Axelrod & John Hemann

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

Bail Amount: _____

If Summons, complete following:

Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address:

Date/Time: _____ Before Judge: _____

Comments:

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

OFFENSE CHARGED
see attached penalty sheet Petty
 Minor
 Misdemeanor
 Felony
PENALTY: see attached penalty sheet

DEFENDANT - U.S.
USA PERFORMANCE TECHNOLOGY, INC. (USAPTI)
DISTRICT COURT NUMBER
CR 11-0573 JSW
FILED
MAR 12 2013

PROCEEDING
Name of Complainant Agency, or Person (& Title, if any)
FBI
 person is awaiting trial in another Federal or State Court, give name of court
 this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District
this is a re prosecution of charges previously dismissed which were dismissed on motion of:
 U.S. ATTORNEY DEFENSE } SHOW DOCKET NO.
this prosecution relates to a pending case involving this same defendant
 prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under } MAGISTRATE CASE NO.

IS NOT IN CUSTODY
Has not been arrested, pending outcome of case
1) If not detained give date any prior summons was served on above charges
2) Is a Fugitive
3) Is on Bail or Release from (show District)
IS IN CUSTODY
4) On this charge
5) On another conviction } Federal State
6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution
Has detainer been filed? Yes No } If "Yes" give date filed
DATE OF ARREST Month/Day/Year
Or... if Arresting Agency & Warrant were not
DATE TRANSFERRED TO U.S. CUSTODY Month/Day/Year

Name and Office of Person Furnishing Information on this form
MELINDA HAAG
 U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned)
Peter Axelrod & John Hemann

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS
PROCESS:
 SUMMONS NO PROCESS* WARRANT
Bail Amount: _____
If Summons, complete following:
 Arraignment Initial Appearance
* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment
Defendant Address: _____
Date/Time: _____ Before Judge: _____
Comments:

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

OFFENSE CHARGED
see attached penalty sheet Petty
 Minor
 Misdemeanor
 Felony
PENALTY: see attached penalty sheet

DEFENDANT - U.S.
▶ TZE CHAO, a.k.a. Zhao Zhi
DISTRICT COURT NUMBER
CR 11-0573 JSW

FILED
MAR 12 2013
RICHARD W. WIEKING
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

PROCEEDING
Name of Complainant Agency, or Person (& Title, if any)
FBI
 person is awaiting trial in another Federal or State Court, give name of court
 this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District
 this is a re prosecution of charges previously dismissed which were dismissed on motion of:
 U.S. ATTORNEY DEFENSE } SHOW DOCKET NO.
 this prosecution relates to a pending case involving this same defendant } MAGISTRATE CASE NO.
 prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under }

DEFENDANT
IS NOT IN CUSTODY
Has not been arrested, pending or accepted this proceeding.
1) If not detained give date any prior summons was served on above charges
2) Is a Fugitive
3) Is on Bail or Release from (show District)
IS IN CUSTODY
4) On this charge
5) On another conviction } Federal State
6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution
Has detainer been filed? Yes } If "Yes" give date filed
 No }
DATE OF ARREST ▶ Month/Day/Year
Or... if Arresting Agency & Warrant were not
DATE TRANSFERRED TO U.S. CUSTODY ▶ Month/Day/Year

Name and Office of Person Furnishing Information on this form MELINDA HAAG
 U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) Peter Axelrod & John Hemann

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS
PROCESS:
 SUMMONS NO PROCESS* WARRANT
Bail Amount: _____
If Summons, complete following:
 Arraignment Initial Appearance
* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment
Defendant Address: _____
Date/Time: _____ Before Judge: _____
Comments:

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

OFFENSE CHARGED
see attached penalty sheet Petty
 Minor
 Misdemeanor
 Felony
PENALTY: see attached penalty sheet

DEFENDANT - U.S.
▶ **HOU SHENGDONG**
DISTRICT COURT NUMBER
CR 11-0573 JSW

FILED
MAR 12 2013

PROCEEDING
Name of Complainant Agency, or Person (& Title, if any)
FBI
 person is awaiting trial in another Federal or State Court, give name of court
 this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District
 this is a re prosecution of charges previously dismissed which were dismissed on motion of:
 U.S. ATTORNEY DEFENSE } **SHOW DOCKET NO.**
 this prosecution relates to a pending case involving this same defendant } **MAGISTRATE CASE NO.**
 prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under }

IS NOT IN CUSTODY
Has not been arrested, pending outcome this proceeding
1) If not detained give date any prior summons was served on above charges
2) Is a Fugitive
3) Is on Bail or Release from (show District)
IS IN CUSTODY
4) On this charge
5) On another conviction } Federal State
6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution
Has detainer been filed? Yes No } If "Yes" give date filed
DATE OF ARREST ▶ **Month/Day/Year**
Or... if Arresting Agency & Warrant were not
DATE TRANSFERRED TO U.S. CUSTODY ▶ **Month/Day/Year**

RICHARD W. WIEKING
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

Name and Office of Person Furnishing Information on this form **MELINDA HAAG**
 U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) **Peter Axelrod & John Hemann**

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS
PROCESS:
 SUMMONS NO PROCESS* WARRANT
Bail Amount: _____
If Summons, complete following:
 Arraignment Initial Appearance
*Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment
Defendant Address: _____
Date/Time: _____ Before Judge: _____
Comments:

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

OFFENSE CHARGED
see attached penalty sheet
 Petty
 Minor
 Misdemeanor
 Felony
PENALTY: see attached penalty sheet

DEFENDANT - U.S.
▶ PANGANG GROUP COMPANY, LTD. (PANGANG GROUP)
DISTRICT COURT NUMBER
CR 11-0573 JSW

FILED
MAR 12 2013

PROCEEDING
Name of Complainant Agency, or Person (& Title, if any)
FBI
 person is awaiting trial in another Federal or State Court, give name of court
 this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District
 this is a re prosecution of charges previously dismissed which were dismissed on motion of:
 U.S. ATTORNEY DEFENSE } SHOW DOCKET NO.
 this prosecution relates to a pending case involving this same defendant } MAGISTRATE CASE NO.
 prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under }

DEFENDANT IS NOT IN CUSTODY
Has not been arrested, pending arraignment.
1) If not detained give date any prior summons was served on above charges
2) Is a Fugitive
3) Is on Bail or Release from (show District)
IS IN CUSTODY
4) On this charge
5) On another conviction } Federal State
6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution
Has detainer been filed? Yes No } If "Yes" give date filed
DATE OF ARREST ▶ Month/Day/Year
Or... if Arresting Agency & Warrant were not
DATE TRANSFERRED TO U.S. CUSTODY ▶ Month/Day/Year

Name and Office of Person Furnishing Information on this form MELINDA HAAG
 U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) Peter Axelrod & John Hemann

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS
PROCESS:
 SUMMONS NO PROCESS* WARRANT
Bail Amount: _____
If Summons, complete following:
 Arraignment Initial Appearance
* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment
Defendant Address: _____
Date/Time: _____ Before Judge: _____
Comments:

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

see attached penalty sheet

- Petty
- Minor
- Misdemeanor
- Felony

PENALTY: see attached penalty sheet

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

DEFENDANT - U.S.

PANGANG GROUP STEEL VANADIUM AND TITANIUM
COMPANY, LTD

DISTRICT COURT NUMBER
CR 11-0573 JSW

FILED

MAR 12 2013

DEFENDANT
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
DEBORAH W. WIEKING

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a re prosecution of charges previously dismissed which were dismissed on motion of:

U.S. ATTORNEY DEFENSE

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person
Furnishing Information on this form MELINDA HAAG

U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) Peter Axelrod & John Hemann

IS NOT IN CUSTODY
Has not been arrested, pending proceedings.

- 1) If not detained give date any prior summons was served on above charges
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
 - 5) On another conviction } Federal State
 - 6) Awaiting trial on other charges
- If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No

If "Yes" give date filed

DATE OF ARREST Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY Month/Day/Year

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

Bail Amount: _____

If Summons, complete following:

Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address:

_____ Date/Time: _____ Before Judge: _____

Comments:

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

OFFENSE CHARGED
see attached penalty sheet
 Petty
 Minor
 Misdemeanor
 Felony
PENALTY: see attached penalty sheet

DEFENDANT - U.S.
PANGANG GROUP STEEL VANADIUM AND TITANIUM
COMPANY, LTD (PGSVTC)
DISTRICT COURT NUMBER
CR 11-0573 JSW

FILED

MAR 7 2013

RICHARD W. WHEAT
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)
FBI
 person is awaiting trial in another Federal or State Court, give name of court
 this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District
 this is a re prosecution of charges previously dismissed which were dismissed on motion of:
 U.S. ATTORNEY DEFENSE } **SHOW DOCKET NO.**
 this prosecution relates to a pending case involving this same defendant } **MAGISTRATE CASE NO.**
 prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under }

IS NOT IN CUSTODY
Has not been arrested and is not in this proceeding.
1) If not detained give date any summons was served on above charges
2) Is a Fugitive
3) Is on Bail or Release from (show District)

IS IN CUSTODY
4) On this charge
5) On another conviction } Federal State
6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No } If "Yes" give date filed
DATE OF ARREST Month/Day/Year
Or... if Arresting Agency & Warrant were not
DATE TRANSFERRED TO U.S. CUSTODY Month/Day/Year

Name and Office of Person Furnishing Information on this form **MELINDA HAAG**
 U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) **Peter Axelrod & John Hemann**

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:
 SUMMONS NO PROCESS* WARRANT

Bail Amount: _____

If Summons, complete following:
 Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address: _____
Date/Time: _____ Before Judge: _____

Comments:

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

see attached penalty sheet

- Petty
- Minor
- Misdemeanor
- Felony

PENALTY: see attached penalty sheet

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

DEFENDANT - U.S.

PANGANG GROUP TITANIUM INDUSTRY COMPANY, LTD.
(PANGANG GROUP TITANIUM)

DISTRICT COURT NUMBER
CR 11-0573 JSW

FILED

MAR 7 2 2013

DEFENDANT:

IS NOT IN CUSTODY Has not been arrested, pending or on proceeding.

- 1) If not detained give date any prior summons was served on above charges
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
- 5) On another conviction } Federal State
- 6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a re prosecution of charges previously dismissed which were dismissed on motion of:

U.S. ATTORNEY DEFENSE

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form MELINDA HAAG

U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned)

Peter Axelrod & John Hemann

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

Bail Amount: _____

If Summons, complete following:

Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address:

Date/Time: _____ Before Judge: _____

Comments:

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

see attached penalty sheet Petty
 Minor
 Misdemeanor
 Felony
PENALTY: see attached penalty sheet

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

DEFENDANT - U.S.

PANGANG GROUP INTERNATIONAL ECONOMIC & TRADING COMPANY (PIETC)

DISTRICT COURT NUMBER
CR 11-0573 JSW

FILED

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a re prosecution of charges previously dismissed which were dismissed on motion of:

U.S. ATTORNEY DEFENSE

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person Furnishing Information on this form MELINDA HAAG

U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) Peter Axelrod & John Hemann

IS NOT IN CUSTODY

- 1) Has not been arrested, detained, or served with summons. If not detained give date any prior summons was served on above charges
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
- 5) On another conviction } Federal State
- 6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No

If "Yes" give date filed

DATE OF ARREST Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY Month/Day/Year

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

Bail Amount: _____

If Summons, complete following:

Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address:

Date/Time: _____ Before Judge: _____

Comments:

PENALTY SHEET

WALTER LIAN-HEEN LIEW, a.k.a. Liu Yuanxuan: Counts 1 - 3, 5 - 11, 13, 14, 15 - 19, 20 and 21, and 22;
Forfeiture Allegations 1 - 4

CHRISTINA HONG QIAO LIEW, a.k.a. Qiao Hong: Counts 1 - 3, 5, 6, 9, 12, 13, and 14;
Forfeiture Allegations 1 - 3

ROBERT J. MAEGERLE: Counts 2, 5, 8, and 10; Forfeiture Allegations 2 and 3

USA PERFORMANCE TECHNOLOGY, INC. (USAPTI): Counts 1 - 3 and 5 - 10;
Forfeiture Allegations 1 - 3

TZE CHAO, a.k.a. Zhao Zhi: Count 1; Forfeiture Allegation 1

HOU SHENGDONG: Counts 1, 2, and 4; Forfeiture Allegations 1 and 2

PANGANG GROUP COMPANY, LTD. (PANGANG GROUP): Counts 1, 2, and 4;
Forfeiture Allegations 1 and 2

PANGANG GROUP STEEL VANADIUM AND TITANIUM COMPANY, LTD. (PGSVTC): Counts 1, 2, and 4; Forfeiture Allegations 1 and 2

PANGANG GROUP TITANIUM INDUSTRY COMPANY, LTD. (PANGANG GROUP TITANIUM): Counts 1, 2, and 4; Forfeiture Allegations 1 and 2

PANGANG GROUP INTERNATIONAL ECONOMIC & TRADING COMPANY (PIETC): Counts 1, 2, and 4; Forfeiture Allegations 1 and 2

COUNT 1	18 U.S.C. § 1831(a)(5) - Conspiracy to Commit Economic Espionage	PENALTY:	15 years imprisonment, \$500,000 fine, 3 years supervised release and restitution
COUNT 2	18 U.S.C. § 1832(a)(5) - Conspiracy to Commit Theft of Trade Secrets	PENALTY:	10 years imprisonment, \$250,000 fine or twice the gross gain or loss, 3 years supervised release and restitution

COUNT 3	18 U.S.C. § 1831(a)(2) and (4) - Attempted Economic Espionage	PENALTY:	15 years imprisonment, \$500,000 fine, 3 years supervised release and restitution
COUNT 4	18 U.S.C. § 1831(a)(3) and (4) - Attempted Economic Espionage	PENALTY:	15 years imprisonment, \$500,000 fine, 3 years supervised release and restitution
COUNT 5	18 U.S.C. § 1832(a)(2) and (4) - Attempted Theft of Trade Secrets	PENALTY:	10 years imprisonment, \$250,000 fine or twice the gross gain or loss, 3 years supervised release and restitution
COUNTS 6 & 7	18 U.S.C. § 1832(a)(3) - Possession of Trade Secrets	PENALTY:	10 years imprisonment, \$250,000 fine or twice the gross gain or loss, 3 years supervised release and restitution
COUNT 8	18 U.S.C. §§ 1832(a)(2) and 2 - Conveying Trade Secrets; Aiding and Abetting	PENALTY:	\$250,000 fine or twice the gross gain or loss, 3 years supervised release and restitution
COUNT 9	18 U.S.C. §§ 1832(a)(3) - Possession of Trade Secrets	PENALTY:	10 years imprisonment, \$250,000 fine or twice the gross gain or loss, 3 years supervised release and restitution
COUNT 10	18 U.S.C. § 1512(k) – Conspiracy to Tamper with Witnesses and Evidence	PENALTY:	20 years imprisonment, \$250,000 fine or twice the gross gain or loss, 3 years supervised release and restitution
COUNTS 11 & 12	18 U.S.C. § 1512(b)(1) – Witness Tampering	PENALTY:	20 years imprisonment, \$250,000 fine or twice the gross gain or loss, 3 years supervised release and restitution

COUNT 13	18 U.S.C. § 1512(k) – Conspiracy to Tamper with Evidence	PENALTY:	20 years imprisonment, \$250,000 fine or twice the gross gain or loss, 3 years supervised release and restitution
COUNT 14	18 U.S.C. §§ 1001(a)(2) & 2 – False Statements In a Matter Within the Jurisdiction of the Executive Branch; Aiding and Abetting	PENALTY:	5 years imprisonment, \$250,000 fine, 3 years supervised release and restitution
COUNT 15 - 19	26 U.S.C. § 7206(1) Filing False Tax Return	PENALTY:	3 years imprisonment, \$100,000 fine, 1 year supervised release and and costs of prosecution
COUNT 20 & 21	18 U.S.C. § 152(3) False Statements in Bankruptcy Proceedings	PENALTY:	5 years imprisonment, fine of \$250,000 or twice gross gain or loss, 3 years of supervised release
COUNT 22	18 U.S.C. § 152(2) False Oath in Bankruptcy Proceedings	PENALTY:	5 years imprisonment, fine of \$250,000 or twice gross gain or loss, 3 years of supervised release

SPECIAL ASSESSMENT: \$100.00 for each count

FORFEITURE ALLEGATIONS:

First Forfeiture Allegation: 18 U.S.C. §§ 1834 and 2323 – Proceeds and Property Involved in Economic Espionage

Second Forfeiture Allegation: 18 U.S.C. §§ 1834 and 2323 – Proceeds and Property Involved in Theft of Trade Secrets

Third Forfeiture Allegation: 18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. § 2461 – Witness Tampering Proceeds

Fourth Forfeiture Allegation: 18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. § 2461 – Bankruptcy False Statement Forfeiture

1 MELINDA HAAG (CABN 132612)
2 United States Attorney

FILED
MAR 12 2013
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 UNITED STATES OF AMERICA,)
12 Plaintiff,)
13 v.)
14 WALTER LIAN-HEEN LIEW,)
15 a.k.a. LIU YUANXUAN,)
16 CHRISTINA HONG QIAO LIEW,)
17 a.k.a. QIAO HONG,)
18 ROBERT J. MAEGERLE,)
19 USA PERFORMANCE TECHNOLOGY,)
20 INC.,)
21 TZE CHAO,)
22 a.k.a. ZHI ZHAO,)
23 HOU SHENGDONG,)
24 PANGANG GROUP COMPANY, LTD.,)
25 PANGANG GROUP STEEL)
26 VANADIUM & TITANIUM)
27 COMPANY, LTD.,)
28 PANGANG GROUP TITANIUM)
INDUSTRY COMPANY, LTD., and)
PANGANG GROUP INTERNATIONAL)
ECONOMIC & TRADING COMPANY,)
Defendants.

No. CR 11-0573 JSW

VIOLATIONS: 18 U.S.C. § 1831(a)(5) – Conspiracy to Commit Economic Espionage; 18 U.S.C. § 1832(a)(5) – Conspiracy to Commit Theft of Trade Secrets; 18 U.S.C. § 1831(a)(4) – Attempted Economic Espionage; 18 U.S.C. § 1832(a)(4) – Attempted Theft of Trade Secrets; 18 U.S.C. § 1832(a)(3) – Possession of Trade Secrets; 18 U.S.C. § 1832(a)(2) – Conveying Trade Secrets; 18 U.S.C. § 2 – Aiding and Abetting; 18 U.S.C. § 1512(k) – Conspiracy to Tamper with Witnesses and Evidence; 18 U.S.C. § 1512(b)(1) – Witness Tampering; 18 U.S.C. § 1001(a)(2) – False Statements; 18 U.S.C. § 2 – Aiding and Abetting; 26 U.S.C. § 7206(1) – Filing False Tax Returns; 18 U.S.C. § 152(3) – False Statements in Bankruptcy Proceedings; 18 U.S.C. § 152(2) – False Oath in Bankruptcy Proceedings; 18 U.S.C. §§ 1834 and 2323 – Economic Espionage Forfeiture; 18 U.S.C. §§ 1834 and 2323 – Trade Secret Forfeiture; 18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. § 2461 – Witness Tampering Forfeiture; 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461 – Bankruptcy False Statement Forfeiture

(SAN FRANCISCO VENUE)

1 GROUP. CHRISTINA LIEW was born in the PRC in 1962, emigrated to the United
2 States in 1993, and became a naturalized citizen of the United States in 1997. WALTER
3 LIEW was married to CHRISTINA LIEW.

4 5. Defendant USAPTI was a California corporation headquartered in Oakland,
5 California that offered engineering consulting services. USAPTI succeeded to the rights
6 and obligations of its predecessor companies, LH Performance, Inc. and
7 PERFORMANCE GROUP, with respect to those companies' TiO2 business, and the
8 business names were sometimes used interchangeably.

9 6. Defendant TZE CHAO, also known as ZHI ZHAO, was a resident of Delaware
10 and an owner of two consulting firms: Cierra Technology, Inc. (Cierra), incorporated in
11 the State of Delaware, and Zhi Hua Technology Co., Ltd. (Zhi Hua), a Hong Kong-based
12 entity. CHAO was born in China in 1934, emigrated to the United States in 1967, and
13 became a naturalized citizen of the United States in December 1972. CHAO was a
14 DuPont employee from 1966 to 2002.

15 7. Defendant ROBERT J. MAEGERLE was a resident of Delaware and an owner
16 of a consulting firm, Pinewater Designs, Inc. MAEGERLE was a process engineer,
17 among other things, for DuPont from 1956 to 1991.

18 Defendants in the PRC

19 8. The State-Owned Assets Supervision and Administration Commission of the
20 State Council (SASAC) was a special government agency of the PRC. It was under the
21 direct control of the State Council, the PRC's highest government authority. According
22 to its website, SASAC "performs investor's responsibilities, supervises and manages the
23 state-owned assets of the enterprises under the supervision of the Central Government . . .
24 and enhances the management of the state-owned assets." The appointment of senior
25 officers and directors of central state-owned assets was controlled by the Organization
26 Department of the Communist Party of China Central Committee and managed by
27 SASAC.

28 ///

1 9. Defendant PANGANG GROUP COMPANY LIMITED (PANGANG GROUP),
2 also known as Panzhihua Iron and Steel (Group) Co., Ltd., was a state-owned enterprise
3 controlled by SASAC and located in Sichuan Province, PRC. The Chairman and certain
4 other senior managers of PANGANG GROUP were officials of the Communist Party of
5 China. In or about 2002, PANGANG GROUP acquired, through a joint venture, Jinzhou
6 Titanium Industry Co., Ltd. (PANGANG Jinzhou), which operated a small TiO₂
7 manufacturing facility in Liaoning Province, PRC.

8 10. PANGANG GROUP controlled the following subsidiaries (referred to
9 collectively in this Superseding Indictment as the “PANGANG GROUP companies”):

10 a. Defendant PANGANG GROUP STEEL VANADIUM & TITANIUM
11 COMPANY LIMITED (PGSVTC), which shared senior management with PANGANG
12 GROUP.

13 b. Defendant PANGANG GROUP TITANIUM INDUSTRY COMPANY
14 LIMITED (PANGANG GROUP TITANIUM) was formed in 2007 by PANGANG
15 GROUP to develop a large chloride-route TiO₂ factory in Sichuan Province. PANGANG
16 GROUP TITANIUM was owned and controlled by PANGANG GROUP and PGSVTC.

17 c. Defendant PANGANG GROUP INTERNATIONAL ECONOMIC &
18 TRADING COMPANY (PIETC) was the financing arm of PANGANG GROUP. It was
19 responsible for securing the financing and handling the economic affairs of projects
20 conducted by PANGANG GROUP. PIETC was owned and controlled by PANGANG
21 GROUP and PGSVTC.

22 11. Defendant HOU SHENGDONG was a citizen of the PRC and worked for the
23 PANGANG GROUP and PANGANG GROUP TITANIUM where he served as Vice
24 Director of the Chloride Process TiO₂ Project Department.

25 DuPont Trade Secrets and Confidentiality Protections

26 12. DuPont was a company headquartered in Wilmington, Delaware that
27 manufactured TiO₂, a commercially valuable white pigment that was used in a large
28 number of materials ranging from paints to plastics to paper. DuPont manufactured TiO₂

1 at plants in the United States, Mexico, and Taiwan using proprietary technology and sold
2 it throughout the world in interstate and foreign commerce, including in the PRC.

3 DuPont was the world's largest producer of TiO₂ pigment, and its TiO₂ accounted for
4 approximately one-fifth of all world-wide TiO₂ sales.

5 13. DuPont invented the chloride-route process for manufacturing TiO₂ in the 1940s
6 and has refined this process over time. The production of TiO₂ through the chloride-
7 route is a complex manufacturing process, and DuPont has been continually working to
8 improve its process since its invention. Through its seventy years of experience, research
9 and development, DuPont has developed a proprietary TiO₂ process that provides DuPont
10 with a competitive advantage in the international marketplace.

11 14. DuPont's TiO₂ technology included, but was not limited to, the following trade
12 secrets:

13 a. **Trade Secret 1:** The DuPont chloride-route process to manufacture TiO₂.
14 Trade Secret 1 includes ways and means in which proprietary and non-proprietary
15 components were compiled and combined by DuPont to form substantial portions of the
16 TiO₂ manufacturing process, and Trade Secrets 2 through 5 set forth below.

17 b. **Trade Secret 2:** DuPont Drawing No. W1245258, titled "Edge Moor Plant
18 Oxidation W/RPS System Drawing." This drawing, marked with the DuPont oval logo
19 trademark, explicitly stated that the "information and know-how [on the drawing] may
20 not be used nor the drawing reproduced without the written permission of DuPont." The
21 drawing provided information about TiO₂ oxidation area process, including detailed
22 process flow descriptions for each major stream within the process, including stream
23 capacities, chemical compositions, temperatures, pressures, and physical states. The
24 drawing included details related to pipeline sizes, automatic and manual valve sizes and
25 locations, detailed instrumentation requirements, and safety relief devices.

26 c. **Trade Secret 3:** DuPont Accession Report No. 18135, titled "Improved
27 Mixing Correlation for the TiCl₄ Oxidation Reaction Computer Model," dated September
28 7, 1994, which appended a mathematical equation, referred to as the "Diemer

1 correlation,” and related code in the Fortran language for a computer model. The
2 correlation, which enabled the calculation of the mixing time and distance required for the
3 completion of the oxidation process for any DuPont reactor under any set of process
4 conditions, incorporated historical operating data from DuPont’s production lines and its
5 oxidation science. On its cover page, the report was marked “DuPont Confidential – use
6 and dispose per DISO [DuPont Information Security Organization] policy,” and “[t]his
7 report contains confidential information and each holder is responsible for its
8 safekeeping. When no longer needed, please destroy or dispose of in conformance with
9 PIP [Proprietary Information Protection] Guidelines.”

10 d. **Trade Secret 4:** DuPont Flow Sheet No. EK2411, titled “Edge Moor
11 Pigments Plant Flow Sheet – Reaction Area,” with handwritten notations. This flow
12 sheet, bearing the DuPont oval logo trademark, was marked “DuPont Confidential –
13 Special Control,” and provided that the “employee receiving this registered print will sign
14 and print the attached acknowledging card, will properly safeguard this print and will be
15 held personally accountable for this print.” The flow sheet contained information about
16 the TiO₂ reaction area process, *e.g.*, the process of treating ores with chlorine gas,
17 including the inter-connectivity of all major streams between the reaction area equipment,
18 which illustrates where and how DuPont injects chemical additives, fuel, feedstocks,
19 purge gases and coolants to the process. This flow sheet also included roughly 30
20 alphanumeric handwritten references to a proprietary, internally-commissioned computer
21 simulation model on the ASPEN-PLUS® platform, known as the Reaction Aspen-Plus
22 (RAP) model, which was described in a separate confidential DuPont technical report.
23 The handwritten references matched the specific nomenclature used for the RAP model,
24 which was created for plant optimization projects and capacity expansions.

25 e. **Trade Secret 5:** DuPont Document EM-C-8510-0148, titled “60,000
26 Metric Tons Per Year Scope/Basic Data,” dated October 31, 1985, addressed to R.J.
27 MAEGERLE (the “Basic Data Document”). This 407-page document, which was
28 designated “Confidential – Special Control,” and issued in numbered copies, provided the

1 scope and basic data for DuPont's then-planned chloride-route plant in Taiwan, which
2 later opened in Kuan Yin, Taiwan. It contained the process and equipment information
3 necessary to design a greenfield (*e.g.*, a plant built from scratch at an undeveloped site),
4 world-class production scale, integrated chloride-route TiO₂ production line. The Basic
5 Data Document's security statement provided that the report is "highly confidential" and
6 "[m]uch of the report data are considered in the 'trade secret' category and should not be
7 released to vendor representatives and non-Company personnel." The Basic Data
8 document was itself a trade secret and it contained numerous discrete trade secrets within
9 in it.

10 15. DuPont protected the confidential information surrounding its TiO₂ technology,
11 including its trade secrets, to prevent unauthorized use or disclosure, by a variety of
12 measures, including, but not limited to:

- 13 • limiting visitor access to its TiO₂ facilities;
- 14 • transmitting, receiving, and destroying confidential information in a secure
15 manner;
- 16 • requiring employees to execute non-disclosure agreements;
- 17 • requiring separating employees to certify that they had returned all
18 confidential or secret DuPont materials;
- 19 • compartmentalizing information surrounding the TiO₂ process and access
20 to it;
- 21 • requiring permission to access data systems that contain TiO₂
22 documentation - including drawings, equipment specifications, instrument
23 specifications, logic diagrams, standard operation procedures, maintenance
24 work practices, technology reports, etc.;
- 25 • sending letters to former DuPont employees and/or competing companies
26 that hired former DuPont employees regarding the protection of its trade
27 secrets; and
- 28 • maintaining physical security measures in and around TiO₂ production

1 facilities, including fences, gates, locks, guard facilities, surveillance, escort
2 requirements, identification badges, and prohibitions on photography and
3 videotaping.

4
5 COUNT ONE: (18 U.S.C. § 1831(a)(5) – Conspiracy to Commit Economic Espionage)

6 16. The allegations contained in Paragraphs 1 through 15 are re-alleged and
7 incorporated as if fully set forth herein.

8 17. Beginning in or about 1998, and continuing to in or about October 2011, in the
9 Northern District of California and elsewhere, defendants

10 WALTER LIEW,
11 CHRISTINA LIEW,
12 USAPTI,
13 TZE CHAO,
14 HOU SHENGDONG,
PANGANG GROUP,
PGSVTC,
PANGANG GROUP TITANIUM, and
PIETC,

15 together with others known and unknown to the Grand Jury, knowingly combined,
16 conspired and agreed to:

17 a. knowingly and without authorization copy, duplicate, sketch, draw, alter,
18 photocopy, replicate, transmit, deliver, send, communicate, and convey trade secrets
19 belonging to DuPont; and

20 b. knowingly receive, buy and possess trade secrets belonging to DuPont,
21 knowing the same to have been stolen, appropriated, obtained and converted without
22 authorization;

23 intending and knowing that the offenses would benefit a foreign government, namely the
24 PRC, and foreign instrumentalities, namely PANGANG GROUP, PGSVTC, PANGANG
25 GROUP TITANIUM, and PIETC, in violation of Title 18, United States Code, Sections
26 1831(a)(2) and (a)(3).

27 ///

28 ///

Manner and Means of the Conspiracy

1
2 18. In order to develop chloride-route TiO₂ production capabilities and circumvent
3 DuPont's restriction on its proprietary technology, companies owned and controlled by
4 the PRC government and employees of those companies, including the PANGANG
5 GROUP companies named in this Superseding Indictment, attempted to illegally obtain
6 technology that had been developed by DuPont.

7 19. In the 1990s, WALTER LIEW learned that the government of the PRC had
8 prioritized the development of chloride-route TiO₂ technology. By the beginning of
9 1998, WALTER LIEW had assembled a team of former DuPont employees, including
10 MAEGERLE and others, to assist him in his efforts to convey DuPont's TiO₂ technology
11 to entities in the PRC.

12 20. WALTER LIEW executed contracts with state-owned entities in the PRC for
13 chloride-route TiO₂ projects that relied on the transfer of illegally obtained DuPont
14 technology, including: (a) a \$5,600,000 contract in 1998 with the import and export
15 company of Chengde Iron & Steel Group; (b) a \$6,180,000 contract in 2005 with PIETC
16 and PANGANG Jinzhou for a 30,000 metric tons per year (MTPY) project; (c) a
17 \$7,000,000 contract in 2007 with PANGANG Jinzhou for a 30,000 MTPY project; and
18 (d) a \$17,800,000 contract in 2009 with PIETC and PANGANG GROUP TITANIUM for
19 a 100,000 MTPY project.

20 21. MAEGERLE had detailed knowledge of DuPont's TiO₂ technology and
21 expertise in building TiO₂ production lines. In furtherance of the contracts entered into
22 by WALTER LIEW, MAEGERLE provided WALTER LIEW and USAPTI with DuPont
23 information, including information contained in Trade Secret 5.

PANGANG GROUP Projects

24
25 22. In approximately 2003, PANGANG Jinzhou, a subsidiary of PANGANG
26 GROUP, decided to build a larger, more efficient 30,000 MTPY chloride-process plant.
27 WALTER LIEW wrote letters in 2003 and 2004, claiming to possess the complete TiO₂
28 process technology and attempting to sell his services to PANGANG Jinzhou to design its

1 new factory.

2 23. In March 2004, PANGANG GROUP hired CHAO as a consultant because of his
3 experience with and knowledge of DuPont's TiO₂ technology. At PANGANG GROUP's
4 instruction, CHAO contacted WALTER LIEW and asked LIEW about his chloride-route
5 TiO₂ technology.

6 24. As part of the negotiation process for the PANGANG Jinzhou contract,
7 WALTER LIEW also provided PANGANG Jinzhou with numerous photographs of
8 DuPont facilities, which revealed proprietary and confidential aspects of the
9 manufacturing process. WALTER LIEW obtained these photographs from MAEGERLE
10 who was not authorized to take or disseminate them outside DuPont.

11 25. In or about 2008, PANGANG GROUP put out a request for proposal for a
12 100,000 MTPY chloride-route TiO₂ project in Chongqing, PRC. Both USAPTI and
13 Cierra (CHAO's company) submitted bids. No other engineering firm bid on the project.
14 In their efforts to obtain the contract, both USAPTI and Cierra represented to PANGANG
15 GROUP that they possessed DuPont technology.

16 26. Throughout 2008, WALTER LIEW and MAEGERLE for USAPTI and CHAO
17 for Cierra provided detailed information to PANGANG GROUP regarding the design and
18 construction of the new facility. During these technology exchanges, PANGANG
19 GROUP employees, including HOU SHENGDONG and an official from PANGANG
20 GROUP TITANIUM, asked WALTER LIEW and CHAO for DuPont blueprints and the
21 names of former DuPont employees who would work on the project.

22 27. In 2009, PANGANG GROUP hired USAPTI to design the project in Chongqing.
23 The parties to the contract were USAPTI, PANGANG GROUP, and PIETC, and the
24 beneficiary of the contract was PANGANG GROUP's subsidiary, PANGANG GROUP
25 TITANIUM.

26 28. Following the execution of the contract for the 100,000 MTPY project, USAPTI,
27 PANGANG GROUP TITANIUM, and PIETC had a series of meetings in San Francisco
28 and the PRC to advance the project. At various times, WALTER LIEW, CHRISTINA

1 LIEW, MAEGERLE, and others attended meetings on behalf of USAPTI, and HOU
2 SHENGDONG and others attended meetings on behalf of PANGANG GROUP
3 TITANIUM.

4 29. The basic design information USAPTI delivered to PANGANG GROUP
5 TITANIUM in August 2009 contained numerous features based on technology directly
6 misappropriated from DuPont. At the request of an official from PANGANG GROUP
7 TITANIUM, CHAO reviewed USAPTI's designs in China in September 2009. CHAO
8 prepared a report for PANGANG GROUP TITANIUM with specific suggestions for
9 improving USAPTI's designs. CHAO's suggestions relied, in part, on DuPont's trade
10 secrets, which he included in his report.

11 30. Between on or about January 6, 2006 and on or about July 7, 2011, PIETC and
12 PANGANG Jinzhou paid USAPTI and its predecessor, PERFORMANCE GROUP, at
13 least \$27,000,000 for work on the 30,000 MTPY and 100,000 MTPY TiO₂ projects.

14 31. Proceeds from the sale of DuPont technology to PANGANG GROUP were paid
15 to WALTER LIEW, CHRISTINA LIEW, PERFORMANCE GROUP and USAPTI
16 through letters of credit, letters of guarantee, and wire transfers established at various
17 Chinese banks. To obtain this money, WALTER LIEW drew down on letters of credit
18 and letters of guarantee and was the recipient of wire transfers on behalf of
19 PERFORMANCE GROUP and USAPTI through Mega International Commercial Bank
20 in San Jose, California, California Pacific Bank in San Francisco, California, Cathay
21 Bank in Millbrae, California, and East West Bank in Oakland, California. WALTER
22 LIEW and CHRISTINA LIEW wired millions of dollars in proceeds from PANGANG
23 GROUP to CHRISTINA LIEW's relatives in the PRC through bank accounts in
24 Singapore and elsewhere.

25 Overt Acts

26 32. In furtherance of the conspiracy and to effect its objects, defendants committed
27 the following overt acts, among others, in the Northern District of California and
28 elsewhere:

1 33. On or about March 15, 1998, MAEGERLE sent a facsimile to WALTER LIEW
2 that contained proprietary and confidential information about DuPont's TiO₂ plant costs
3 and personnel data, including information from Trade Secret 5.

4 34. On or about October 8, 2005, MAEGERLE emailed WALTER LIEW a series of
5 photographs from various DuPont facilities that contained proprietary and confidential
6 information about DuPont technologies associated with its chloride-route TiO₂ process.

7 35. On or about November 25, 2005, WALTER LIEW on behalf of
8 PERFORMANCE GROUP entered into a \$6,180,000 contract on the 30,000 MTPY
9 chloride-route TiO₂ project with PIETC on behalf of PANGANG Jinzhou.

10 36. On or about April 17, 2008, WALTER LIEW directed Mega Bank to wire
11 \$759,982 to an account at the Development Bank of Singapore (DBS) in the name of
12 Huadong Equipment Solutions, Pte, Ltd. (Huadong), over which WALTER LIEW had
13 signature authority.

14 37. On or about May 29, 2008, WALTER LIEW directed DBS to wire \$750,000
15 from the Huadong account in Singapore to an HSBC in account in Hong Kong belonging
16 to CHRISTINA LIEW's father, a resident of the PRC, over which WALTER LIEW had
17 signature authority.

18 38. On or about May 30, 2008, WALTER LIEW directed the transfer of
19 approximately \$670,000 from the HSBC account of CHRISTINA LIEW's father into a
20 deposit account.

21 39. On or about June 2, 2008, employees of PANGANG GROUP companies,
22 including HOU SHENGDONG, agreed that PANGANG GROUP would work with
23 Cierra and CHAO if they employed former DuPont employees and possessed blueprints
24 for DuPont's TiO₂ plants.

25 40. On or about July 15, 2008, WALTER LIEW and CHRISTINA LIEW informed
26 PANGANG GROUP TITANIUM that their drawings would replicate DuPont's DeLisle
27 plant.

28 41. On or about August 22, 2008, MAEGERLE provided a USAPTI consultant with

1 electronic copies of confidential, proprietary DuPont documents during a business trip to
2 the PRC, including Trade Secret 2, Trade Secret 4, and a set of the photographs described
3 in Paragraph 34.

4 42. On or about October 25, 2008, MAEGERLE emailed WALTER LIEW specific
5 information from Trade Secret 5 and stated that “[t]he Jinzhou specifications were scaled
6 down” from information from Trade Secret 5.

7 43. In or about July 2009, MAEGERLE drafted a three-page document entitled,
8 “100K T/Y TiO₂ CHLORINATOR DESIGN,” which referenced specific confidential,
9 proprietary data contained in the Basic Data Document (Trade Secret 5), which he used to
10 scale up for the 100,000 MTPY project.

11 44. On or about September 3, 2009, MAEGERLE sent WALTER LIEW an email
12 containing a specific and confidential figure from Trade Secret 5.

13 45. On August 8, 2010, USAPTI executed a \$796,000 contract with PIETC for
14 PANGANG GROUP Chongqing Titanium Industry Co., Ltd. to procure equipment for
15 the 100,000 MTPY project.

16 46. In or about November 2010, WALTER LIEW provided a portion of Trade Secret
17 3 to a USAPTI employee.

18 47. A USAPTI employee emailed himself portions of Trade Secret 3 on February 22,
19 2011, March 4, 2011, and March 8, 2011.

20 48. On or about July 19, 2011, WALTER LIEW and CHRISTINA LIEW concealed
21 Trade Secret 2 and Trade Secret 4 at their residence in Orinda, California.

22 49. On or about July 19, 2011, CHRISTINA LIEW attempted to prevent law
23 enforcement from gaining access to a safe deposit box at Bank of East Asia in Oakland,
24 California that contained copies of Trade Secret 2 and 4 and the photographs referenced
25 in Paragraph 34.

26 50. In or about October 2011, HOU SHENGDONG attempted to contact CHAO for
27 additional assistance with the 100,000 MTPY project.

28 All in violation of Title 18, United States Code, Section 1831(a)(5).

1 COUNT TWO: (18 U.S.C. § 1832(a)(5) – Conspiracy to Commit Theft of Trade
2 Secrets)

3 51. The allegations contained in Paragraphs 1 through 15 are re-alleged and
4 incorporated as if fully set forth herein.

5 52. Beginning in or about 1998, and continuing to in or about October 2011, in the
6 Northern District of California and elsewhere, defendants

7 WALTER LIEW,
8 CHRISTINA LIEW,
9 ROBERT MAEGERLE,
10 USAPTI,
11 HOU SHENGDONG,
PANGANG GROUP,
PGSVTC,
PANGANG GROUP TITANIUM, and
PIETC,

12 together with others known and unknown to the Grand Jury, knowingly combined,
13 conspired and agreed to:

14 a. knowingly and without authorization copy, duplicate, sketch, draw, alter,
15 photocopy, replicate, transmit, deliver, send, communicate, and convey trade secrets
16 belonging to DuPont; and

17 b. knowingly receive, buy and possess trade secrets belonging to DuPont,
18 knowing the same to have been stolen, appropriated, obtained and converted without
19 authorization;
20 intending to convert a trade secret that is related to and included in a product, namely
21 TiO₂, that is produced for and placed in interstate and foreign commerce, to the economic
22 benefit of someone other than DuPont, and intending and knowing that the offense would
23 injure DuPont, in violation of Title 18, United States Code, Sections 1832(a)(2) and
24 (a)(3).

25 Manner and Means of the Conspiracy

26 53. The objects of the conspiracy were carried out, in part, as alleged in Paragraphs
27 18 through 31 above.

28 ///

1 Overt Acts

2 54. In furtherance of the conspiracy and to effect its objects, defendants committed
3 the overt acts alleged in Paragraphs 32 through 50, among others, in the Northern District
4 of California and elsewhere.

5 All in violation of Title 18, United States Code, Section 1832(a)(5).

6
7 COUNT THREE: (18 U.S.C. § 1831(a)(2) and (4) – Attempted Economic Espionage)

8 55. The allegations contained in Paragraphs 1 through 15 and 18 through 50 are re-
9 alleged and incorporated as if fully set forth herein.

10 56. Beginning on a date unknown, but no later than 2008, and continuing to on or
11 about July 19, 2011, in the Northern District of California and elsewhere, defendants

12 WALTER LIEW,
13 CHRISTINA LIEW, and
USAPTI

14 knowingly and without authorization attempted to copy, duplicate, sketch, draw, alter,
15 photocopy, replicate, transmit, deliver, send, communicate, and convey a trade secret
16 belonging to DuPont, specifically Trade Secret 1, intending and knowing that the offenses
17 would benefit a foreign government, namely the PRC, and foreign instrumentalities,
18 namely PANGANG GROUP, PGSVTC, PANGANG GROUP TITANIUM, and PIETC,
19 in violation of Title 18, United States Code, Sections 1831(a)(2).

20 All in violation of Title 18, United States Code, Section 1831(a)(4).

21
22 COUNT FOUR: (18 U.S.C. § 1831(a)(3) and (4) – Attempted Economic Espionage)

23 57. The allegations contained in Paragraphs 1 through 15 and 18 through 50 are re-
24 alleged and incorporated as if fully set forth herein.

25 58. Beginning on a date unknown, but no later than 2008, and continuing to on or
26 about October 2011, in the Northern District of California and elsewhere, defendants

27 HOU SHENGDONG,
28 PANGANG GROUP,
PGSVTC,

PANGANG GROUP TITANIUM, and
PIETC

1
2 knowingly attempted to receive, buy, and possess a trade secret belonging to DuPont,
3 specifically Trade Secret 1, knowing it to have been stolen, appropriated, obtained, and
4 converted without authorization, intending and knowing that the offense would benefit a
5 foreign government, namely the PRC, and foreign instrumentalities, namely PANGANG
6 GROUP, PGSVTC, PANGANG GROUP TITANIUM, and PIETC, in violation of Title
7 18, United States Code, Sections 1831(a)(3).

8 All in violation of Title 18, United States Code, Section 1831(a)(4).

9 COUNT FIVE: (18 U.S.C. § 1832(a)(2) and (4) – Attempted Theft of Trade Secrets)

10 59. The allegations contained in Paragraphs 1 through 15 and 18 through 50 are re-
11 alleged and incorporated as if fully set forth herein.

12 60. Beginning on a date unknown, but no later than 2008, and continuing to on or
13 about July 19, 2011, in the Northern District of California and elsewhere, defendants

14
15 WALTER LIEW,
16 CHRISTINA LIEW,
ROBERT MAEGERLE, and
USAPTI

17 knowingly and without authorization attempted to copy, duplicate, sketch, draw, alter,
18 photocopy, replicate, transmit, deliver, send, communicate, and convey a trade secret
19 belonging to DuPont, specifically Trade Secret 1, with the intent to convert the trade
20 secret, which was related to and included in a product, specifically TiO₂, that was
21 produced for and placed in interstate and foreign commerce, to the economic benefit of
22 someone other than DuPont, and intending and knowing that the offense would injure
23 DuPont, in violation of Title 18, United States Code, Sections 1832(a)(2).

24 All in violation of Title 18, United States Code, Section 1832(a)(4).

25
26 COUNT SIX: (18 U.S.C. § 1832(a)(3) – Possession of Trade Secrets)

27 61. The allegations contained in Paragraphs 1 through 15, 48, and 49 are re-alleged
28 and incorporated as if fully set forth herein.

1 62. On or about July 19, 2011, in the Northern District of California and elsewhere,
2 defendants

3
4 WALTER LIEW,
CHRISTINA LIEW, and
5 USAPTI

6 knowingly possessed a trade secret, specifically Trade Secret 2, knowing it to have been
7 stolen and appropriated, obtained, and converted without authorization, with the intent to
8 convert the trade secret, which was related to and included in a product, specifically
9 TiO₂, that is produced for and placed in interstate and foreign commerce, to the economic
10 benefit of someone other than DuPont, and intending and knowing that the offense would
11 injure DuPont.

12 All in violation of Title 18, United States Code, Sections 1832(a)(3).

13
14 COUNT SEVEN: (18 U.S.C. § 1832(a)(3) – Possession of Trade Secrets)

15 63. The allegations contained in Paragraphs 1 through 15, 46, and 47 are re-alleged
16 and incorporated as if fully set forth herein.

17 64. In or about 2010, in the Northern District of California and elsewhere,
18 defendants

19 WALTER LIEW and
20 USAPTI

21 knowingly received and possessed a trade secret, specifically Trade Secret 3, knowing it
22 to have been stolen and appropriated, obtained, and converted without authorization, with
23 the intent to convert the trade secret, which was related to and included in a product,
24 specifically TiO₂, that is produced for and placed in interstate and foreign commerce, to
25 the economic benefit of someone other than DuPont, and intending and knowing that the
26 offense would injure DuPont.

27 All in violation of Title 18, United States Code, Sections 1832(a)(3).

1 COUNT EIGHT: (18 U.S.C. §§ 1832(a)(2) and 2 – Conveying Trade Secrets; Aiding
2 and Abetting)

3 65. The allegations contained in Paragraphs 1 through 15, 21, and 42 through 44 are
4 re-alleged and incorporated as if fully set forth herein.

5 66. Between in or about 1998 to July 2011, in the Northern District of California and
6 elsewhere, defendants

7 WALTER LIEW,
8 ROBERT MAEGERLE, and
9 USAPTI

10 knowingly and without authorization copied, duplicated, sketched, drew, altered,
11 photocopied, replicated, transmitted, delivered, sent, communicated, and conveyed a trade
12 secret belonging to DuPont, specifically Trade Secret 5, with the intent to convert the
13 trade secret, which was related to and included in a product, specifically TiO₂, that was
14 produced for and placed in interstate and foreign commerce, to the economic benefit of
15 someone other than DuPont, and intending and knowing that the offense would injure
16 DuPont, and did aid and abet such conduct.

17 All in violation of Title 18, United States Code, Sections 1832(a)(2) and 2.

18 COUNT NINE: (18 U.S.C. § 1832(a)(3) – Possession of Trade Secrets)

19 67. The allegations contained in Paragraphs 1 through 15, 48, and 49 are re-alleged
20 and incorporated as if fully set forth herein.

21 68. On or about July 19, 2011, in the Northern District of California and elsewhere,
22 defendants

23 WALTER LIEW,
24 CHRISTINA LIEW, and
25 USAPTI

26 knowingly possessed a trade secret, specifically Trade Secret 4, knowing it to have been
27 stolen and appropriated, obtained, and converted without authorization, with the intent to
28 convert the trade secret, which was related to and included in a product, specifically
TiO₂, that was produced for and placed in interstate and foreign commerce, to the

1 economic benefit of someone other than DuPont, and intending and knowing that the
2 offense would injure DuPont.

3 All in violation of Title 18, United States Code, Sections 1832(a)(3).
4

5 COUNT TEN: (18 U.S.C. § 1512(k) – Conspiracy to Tamper with Witnesses
6 and Evidence)

7 69. The factual allegations set forth in Paragraphs 1 through 15 and 18 through 50
8 are re-alleged and incorporated as if fully set forth herein.

9 70. On or about April 6, 2011, DuPont filed a civil complaint in United States
10 District Court in San Francisco. The complaint alleged that USAPTI, WALTER LIEW,
11 and J.L., a USAPTI employee (the “civil defendants”), misappropriated trade secrets
12 from DuPont. The federal civil complaint alleged that the civil defendants “wrongfully
13 obtained and possess confidential, proprietary, trade secret materials providing detailed
14 specifications for DuPont’s Chloride-route titanium dioxide (‘TiO2’) pigment
15 manufacturing process.”

16 71. On or about and between April 6, 2011, and May 11, 2011, in the Northern
17 District of California and elsewhere, defendants

18 WALTER LIEW,
19 ROBERT MAEGERLE, and
USAPTI

20 knowingly conspired to commit violations of 18 U.S.C. § 1512(c).

21 72. As part of the conspiracy, WALTER LIEW, MAEGERLE, and USAPTI
22 corruptly obstructed, influenced, and impeded an official proceeding, in violation of 18
23 U.S.C. § 1512(c)(2).

24 73. Specifically, after DuPont filed the federal civil complaint, MAEGERLE emailed
25 WALTER LIEW for the purpose of assisting WALTER LIEW in responding to the
26 lawsuit and knowing that WALTER LIEW would use the information for that purpose.
27 MAEGERLE emailed materially false information about the source of the information
28 used for USAPTI’s projects in the PRC and specifically stated that no information from

1 DuPont's Kuan Yin plant was used in the USAPTI designs, which was false and known
2 to be false to both MAEGERLE and LIEW. MAEGERLE provided LIEW with
3 comments on specific paragraphs of the complaint.

4 74. LIEW caused an answer to be filed to the federal civil complaint on or about
5 May 11, 2011, which contained false statements, including the answer to paragraph 32 of
6 the complaint that "Defendants have never misappropriated any information from DuPont
7 or any of its locations, whether the Kuan Yin facility or otherwise."

8 All in violation of Title 18, United States Code, Section 1512(k).

9
10 COUNT ELEVEN: (18 U.S.C. § 1512(b)(1) – Witness Tampering)

11 75. The factual allegations set forth in Paragraphs 1 through 15, 18 through 50, and
12 70 are re-alleged and incorporated as if fully set forth herein.

13 76. In or about April 2011, in the Northern District of California, defendant

14 WALTER LIEW

15 did knowingly intimidate, threaten, and corruptly persuade, and attempt to intimidate,
16 threaten, and corruptly persuade, another person, specifically J.L., with the intent to
17 influence, delay, and prevent the testimony of J.L. in an official proceeding.

18 77. WALTER LIEW, CHRISTINA LIEW, and USAPTI employed and paid at least
19 two former DuPont employees for assistance in designing TiO2 manufacturing facilities
20 for two or more customers in China. These employees were known to J.L. when he
21 worked for USAPTI.

22 78. Specifically, after learning that he, USAPTI, and J.L. had been sued by DuPont
23 in federal district court for misappropriation of trade secrets, WALTER LIEW met with
24 J.L. and told J.L. that he should not say anything about other individuals who had worked
25 with USAPTI – meaning the former DuPont employees – because it would not be good
26 for J.L. or J.L.'s family.

27 All in violation of Title 18, United States Code, Section 1512(b)(1).

1 COUNT TWELVE: (18 U.S.C. § 1512(b)(1) – Witness Tampering)

2 79. The factual allegations set forth in Paragraphs 1 through 15, 18 through 50, 77,
3 and 78 are re-alleged and incorporated as if fully set forth herein.

4 80. In or about April 2011, in the Northern District of California, defendant
5 CHRISTINA LIEW
6 did knowingly intimidate, threaten, and corruptly persuade, and attempt to intimidate,
7 threaten, and corruptly persuade, another person, specifically J.L., with the intent to
8 influence, delay, and prevent the testimony of J.L. in an official proceeding.

9 81. Specifically, after learning that WALTER LIEW, USAPTI, and J.L. had been
10 sued by DuPont in federal district court for misappropriation of trade secrets,
11 CHRISTINA LIEW met with J.L. and discussed the pending litigation. During that
12 meeting, CHRISTINA LIEW told J.L. not to reveal in connection with the civil litigation
13 the identities of the former DuPont employees of whom J.L. was aware through his work
14 with USAPTI.

15 All in violation of Title 18, United States Code, Section 1512(b)(1).

16
17 COUNT THIRTEEN: (18 U.S.C. § 1512(k) – Conspiracy to Tamper with Evidence)

18 82. The factual allegations set forth in Paragraphs 1 through 15, 18 through 50, 77,
19 78, and 81 are re-alleged and incorporated as if fully set forth herein.

20 83. On or about July 19, 2011, agents of the Federal Bureau of Investigation (FBI)
21 executed a search warrant at the residence of WALTER LIEW and CHRISTINA LIEW
22 in Orinda, California, as part of a federal criminal investigation.

23 84. Between on or about April 6, 2011 and July 19, 2011, in the Northern District of
24 California, and elsewhere, defendants

25 WALTER LIEW and
26 CHRISTINA LIEW

27 conspired to commit violations of 18 U.S.C. §§ 1512(b)(3) and (c)(1).

28 85. As part of the conspiracy, WALTER LIEW and CHRISTINA LIEW knowingly

1 engaged in misleading conduct toward agents of the FBI with the intent to hinder, delay,
2 and prevent the communication to those agents of information regarding the commission
3 or possible commission of a federal offense, in violation of 18 U.S.C. § 1512(b)(3).

4 86. As further part of the conspiracy, WALTER LIEW and CHRISTINA LIEW
5 corruptly concealed records, documents, and other objects, and attempted to do so, with
6 the intent to impair the availability of the records, documents, and objects for use in an
7 official proceeding, in violation of 18 U.S.C. § 1512(c)(1).

8 87. During the search of the LIEWs' residence conducted on July 19, 2011, FBI
9 agents found safe deposit box keys. Speaking in Mandarin Chinese, WALTER LIEW
10 directed CHRISTINA LIEW to deny knowing anything about the keys. CHRISTINA
11 LIEW followed his direction by stating to the agents in English that she did not remember
12 the safe deposit boxes when, in fact, she knew at the time that she had a safe deposit box,
13 to which one of the keys corresponded, at the Bank of East Asia in Oakland, California.
14 The safe deposit box contained information regarding USAPTI and USAPTI's
15 relationship with a Chinese customer that was purchasing TiO2 technology from
16 USAPTI, among other records, documents, and objects relevant to the FBI's
17 investigation.

18 All in violation of 18 U.S.C. § 1512(k).

19
20 COUNT FOURTEEN: (18 U.S.C. §§ 1001(a)(2) & 2 – False Statements In a Matter
21 Within the Jurisdiction of the Executive Branch; Aiding and
Abetting)

22 88. The factual allegations set forth in Paragraphs 1 through 15, 18 through 50, 77,
23 78, 81, 83, and 85 through 87 are re-alleged and incorporated as if fully set forth herein.

24 89. On or about July 19, 2011, in the Northern District of California, defendants
25 WALTER LIEW and
26 CHRISTINA LIEW
27 knowingly and willfully made materially false, fictitious, and fraudulent statements and
28 representations regarding matters within the jurisdiction of the executive branch of the

1 Government of the United States, to wit, they denied knowledge of the bank safe deposit
2 box keys found in their home, when, in fact, they knew at the time they were asked by
3 FBI special agents that they had a safe deposit box to which one of the keys
4 corresponded.

5 All in violation of Title 18, United States Code, Sections 1001(a)(2) and 2.
6

7 COUNT FIFTEEN: (26 U.S.C. § 7206(1) – Filing False Tax Return)

8 90. The factual allegations set forth in Paragraphs 3, 5, 20, and 31 are re-alleged and
9 incorporated as if fully set forth herein.

10 91. On or about December 6, 2007, in the Northern District of California, defendant
11 WALTER LIEW
12 did willfully make and subscribe a U.S. Corporation Income Tax Return for
13 PERFORMANCE GROUP for the calendar year 2006, which was filed with the Internal
14 Revenue Service and verified by a written declaration that it was made under penalties of
15 perjury, which income tax return he did not believe to be true and correct as to every
16 material matter. Specifically, LIEW reported gross receipts from PERFORMANCE
17 GROUP of \$1,852,799 when he knew PERFORMANCE GROUP's gross receipts
18 substantially exceeded that amount.

19 All in violation of Title 26, United States Code, Section 7206(1).
20

21 COUNT SIXTEEN: (26 U.S.C. § 7206(1) – Filing False Tax Return)

22 92. The factual allegations set forth in Paragraphs 3, 5, 20, and 31 are re-alleged and
23 incorporated as if fully set forth herein.

24 93. On or about June 9, 2008, in the Northern District of California, defendant
25 WALTER LIEW
26 did willfully make and subscribe a U.S. Corporation Income Tax Return for
27 PERFORMANCE GROUP for the calendar year 2007, which was filed with the Internal
28 Revenue Service and verified by a written declaration that it was made under the penalties

1 of perjury, which income tax return he did not believe to be true and correct as to every
2 material matter. Specifically, LIEW reported gross receipts from PERFORMANCE
3 GROUP of \$449,911 when he knew PERFORMANCE GROUP's gross receipts
4 substantially exceeded that amount.

5 All in violation of Title 26, United States Code, Section 7206(1).

6 COUNT SEVENTEEN: (26 U.S.C. § 7206(1) – Filing False Tax Return)

7 94. The factual allegations set forth in Paragraphs 3, 5, 20, and 31 are re-alleged and
8 incorporated as if fully set forth herein.

9 95. On or about February 2, 2009, in the Northern District of California, defendant
10 WALTER LIEW
11 did willfully make and subscribe a U.S. Corporation Income Tax Return for
12 PERFORMANCE GROUP for the calendar year 2008, which was filed with the Internal
13 Revenue Service and verified by a written declaration that it was made under the penalties
14 of perjury, which income tax return he did not believe to be true and correct as to every
15 material matter. Specifically, LIEW reported gross receipts from PERFORMANCE
16 GROUP of \$368,581 when he knew PERFORMANCE GROUP's gross receipts
17 substantially exceeded that amount.

18 All in violation of Title 26, United States Code, Section 7206(1).

19 COUNT EIGHTEEN: (26 U.S.C. § 7206(1) – Filing False Tax Return)

20 96. The factual allegations set forth in Paragraphs 3, 5, 20, and 31 are re-alleged and
21 incorporated as if fully set forth herein.

22 97. On or about July 25, 2010, in the Northern District of California, defendant
23 WALTER LIEW
24 did willfully make and subscribe a U.S. Corporation Income Tax Return for USAPTI for
25 the calendar year 2009, which was filed with the Internal Revenue Service and verified by
26 a written declaration that it was made under the penalties of perjury, which income tax
27 return he did not believe to be true and correct as to every material matter. Specifically,
28

1 LIEW reported gross receipts from USAPTI of \$713,685 when he knew USAPTI's gross
2 receipts substantially exceeded that amount.

3 All in violation of Title 26, United States Code, Section 7206(1).
4

5 COUNT NINETEEN: (26 U.S.C. § 7206(1) – Filing False Tax Return)

6 98. The factual allegations set forth in Paragraphs 3, 5, 20, and 31 are re-alleged and
7 incorporated as if fully set forth herein.

8 99. On or about April 6, 2011, in the Northern District of California, defendant

9 WALTER LIEW

10 did willfully and knowingly make and subscribe a U.S. Corporation Income Tax Return
11 for USAPTI for the calendar year 2010, which was filed with the Internal Revenue
12 Service and verified by LIEW in a written declaration that it was made under the penalties
13 of perjury, which income tax return he did not believe to be true and correct as to every
14 material matter. Specifically, LIEW reported gross receipts from USAPTI of \$895,448
15 when he knew USAPTI's gross receipts substantially exceeded that amount.

16 All in violation of Title 26, United States Code, Section 7206(1).
17

18 COUNT TWENTY: (18 U.S.C. § 152(3) – False Statements in Bankruptcy
19 Proceedings)

20 100. The factual allegations set forth in Paragraphs 3, 5, and 20 are re-alleged and
21 incorporated as if fully set forth herein.

22 101. On or about January 14, 2009, WALTER LIEW filed a voluntary petition on
23 behalf of PERFORMANCE GROUP in United States Bankruptcy Court for the Northern
24 District of California, In re PERFORMANCE GROUP, No. 09-40243. LIEW filed this
25 petition and supporting documentation, including Schedules of Assets and Liabilities and
26 a Statement of Financial Affairs, under Chapter 7 of the Bankruptcy Code, which is
27 codified at Title 11 of the United States Code.

28 ///

1 102. On or about January 14, 2009, in the Northern District of California, defendant
2 **WALTER LIEW**
3 did knowingly and fraudulently make a declaration and statement under penalty of
4 perjury, in and in relation to a case under Title 11, In re PERFORMANCE GROUP,
5 United States Bankruptcy Court, Northern District of California, No. 09-40243, in
6 PERFORMANCE GROUP’s Schedules of Assets and Liabilities that was false as to the
7 following material matter. On “Schedule G – Executory Contracts and Unexpired
8 Leases,” which requested a description of “all executory contracts of any nature,”
9 including the “nature of debtor’s interest in contract,” and “the names and complete
10 mailing addresses of all other parties to each . . . contract described,” LIEW checked a
11 box indicating “debtor has no executory contracts.”

12 All in violation of Title 18, United States Code, Section 152(3).

13
14 **COUNT TWENTY-ONE:** (18 U.S.C. § 152(3) – False Statements in Bankruptcy
15 Proceedings)

16 103. The factual allegations set forth in Paragraphs 3, 5, 20, and 101 are re-alleged
17 and incorporated as if fully set forth herein.

18 104. On or about January 14, 2009, in the Northern District of California, defendant
19 **WALTER LIEW**
20 did knowingly and fraudulently make a declaration and statement under penalty of
21 perjury, in and in relation to a case under Title 11, In re PERFORMANCE GROUP,
22 United States Bankruptcy Court, Northern District of California, No. 09-40243, in
23 PERFORMANCE GROUP’s Statement of Financial Affairs that was false as to the
24 following material matters:

25 a. In answer to Question 1, which requested the debtor to state “the gross
26 amounts received during the **two years** [bold in original] immediately preceding this
27 calendar year,” LIEW failed to identify any gross amounts.

28 b. In answer to Question 10, which requested that the debtor “[I]st all other

1 property, other than property transferred in the ordinary course of the business or financial
2 affairs of the debtor, transferred either absolutely or as security within **two years** [bold in
3 original] immediately preceding the commencement of this case,” LIEW checked “none.”

4 c. In answer to Question 11, which requested that the debtor “[l]ist all
5 financial accounts and instruments held in the name of the debtor or for the benefit of the
6 debtor which were closed, sold, or otherwise transferred within **one year** [bold in
7 original] immediately preceding the commencement of this case,” LIEW failed to disclose
8 the existence of letters of guarantee for the benefit of PERFORMANCE GROUP that
9 were closed in 2008.

10 All in violation of Title 18, United States Code, Section 152(3).

11 COUNT TWENTY-TWO: (18 U.S.C. § 152(2) – False Oath in Bankruptcy Proceedings)

12 105. The factual allegations set forth in Paragraphs 3, 5, 20, and 101 are re-alleged
13 and incorporated as if fully set forth herein.

14 106. On February 4, 2009, WALTER LIEW testified under oath before a trustee
15 appointed to preside over a hearing conducted pursuant to Section 341 of the Bankruptcy
16 Code.

17 107. On or about February 4, 2009, in the Northern District of California, defendant
18 **WALTER LIEW**
19 did knowingly and fraudulently make a statement under oath, in and in relation to a case
20 under Title 11, In re PERFORMANCE GROUP, United States Bankruptcy Court,
21 Northern District of California, No. 09-40243, in PERFORMANCE GROUP’s Section
22 341 hearing that was false as to the following material matters:

23 a. After advising LIEW that “the following questions are related to the
24 petition, schedules, and documents you filed with the Court,” the presiding Trustee asked
25 LIEW, “did you review the schedules that were filed on behalf of Performance Group
26 Inc.,” and LIEW responded, “yes, I did.” Then, the Trustee asked LIEW, “did it appear
27 that the schedules were complete and correct?,” and Liew responded “Yes, your Honor.”
28

1 b. In response to the question from the presiding Trustee “how long had . . .
2 Performance Group Inc. been closed down,” LIEW responded “since the beginning of
3 November [2008].”

4 c. In response to the following question from the presiding Trustee “was there
5 one of them that caused the business to disappear or just –,” LIEW responded “Yeah. We
6 lost the business. We didn’t have any new contract and we ran out of cash.”

7 d. In response to the presiding Trustee’s question “There was no – nothing that
8 happened? You didn’t have any lawsuit or had a bad project or anything, just –,” LIEW
9 responded, “Yes, yes, it was both. We had a bad project and we – we overspend. And,
10 you know we had what some con – subcontractor ended up wanting more money than
11 they deserve so put us in a hardship.”

12 All in violation of Title 18, United States Code, Section 152(2).

13
14 FIRST FORFEITURE ALLEGATION: (18 U.S.C. §§ 1834 and 2323 – Proceeds and
15 Property Involved in Economic Espionage)

16 108. The allegations contained in Counts One, Three, and Four of this Superseding
17 Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging
18 forfeiture pursuant to Title 18, United States Code, Sections 1834 and 2323.

19 109. Upon conviction of the offenses in violation of Title 18, United States Code,
20 Section 1831 set forth in Counts One, Three, and Four of this Superseding Indictment,
21 defendants

22 WALTER LIEW,
23 CHRISTINA LIEW,
24 USAPTI,
25 TZE CHAO,
26 HOU SHENGDONG,
27 PANGANG GROUP,
28 PGSVTC,
 PANGANG GROUP TITANIUM, and
 PIETC

shall forfeit to the United States of America, pursuant to Title 18, United States Code,
Sections 1834 and 2323, any property used, or intended to be used, in any manner or part

1 to commit or facilitate the commission of the offenses; and any property constituting or
2 derived from any proceeds obtained directly or indirectly as a result of the commission of
3 the offenses.

4 110. If any of the property described above, as a result of any act or omission
5 of the defendants:

- 6 a. cannot be located upon the exercise of due diligence;
- 7 b. has been transferred or sold to, or deposited with, a third party;
- 8 c. has been placed beyond the jurisdiction of the court;
- 9 d. has been substantially diminished in value; or
- 10 e. has been commingled with other property which cannot be divided
11 without difficulty,

12 the United States of America shall be entitled to forfeiture of substitute property pursuant
13 to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United
14 States Code, Section 2323(b).

15 All pursuant to Title 18, United States Code, Sections 1834 and 2323.

16
17 SECOND FORFEITURE
18 ALLEGATION:

(18 U.S.C. §§ 1834 and 2323 – Proceeds and
Property Involved in Theft of Trade Secrets)

19 111. The allegations contained in Counts Two and Five through Nine of this
20 Superseding Indictment are hereby re-alleged and incorporated by reference for the
21 purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 1834
22 and 2323.

23 112. Upon conviction of the offenses in violation of Title 18, United States Code,
24 Section 1832 set forth in Counts Two and Five through Nine of this Superseding
25 Indictment, defendants

26 WALTER LIEW,
27 CHRISTINA LIEW,
28 ROBERT MAEGERLE,
USAPTI,
HOU SHENGDONG,

PANGANG GROUP,
PGSVTC,
PANGANG GROUP TITANIUM, and
PIETC

shall forfeit to the United States of America, pursuant to Title 18, United States Code, Sections 1834 and 2323, any property used, or intended to be used, in any manner or part to commit or facilitate the commission of the offenses ; and any property constituting or derived from any proceeds obtained directly or indirectly as a result of the commission of the offenses.

113. If any of the property described above, as a result of any act or omission of the defendants:

- 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,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 2323(b).

All pursuant to Title 18, United States Code, Sections 1834 and 2323.

THIRD FORFEITURE (18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. § 2461 – Witness
ALLEGATION: Tampering Proceeds)

114. The allegations contained in Counts Ten through Thirteen of this Superseding Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

115. Upon conviction of the offenses in violation of Title 18, United States Code,

1 Section 1512 set forth in Counts Ten through Thirteen of this Superseding Indictment,
2 defendants

3 WALTER LIEW,
4 CHRISTINA LIEW,
5 ROBERT MAEGERLE, and
6 USAPTI

7 shall forfeit to the United States of America, pursuant to Title 18, United States Code,
8 Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real
9 or personal, which constitutes or is derived from proceeds traceable to the offenses.

10 116. If any of the property described above, as a result of any act or omission
11 of the defendants:

- 12 a. cannot be located upon the exercise of due diligence;
- 13 b. has been transferred or sold to, or deposited with, a third party;
- 14 c. has been placed beyond the jurisdiction of the court;
- 15 d. has been substantially diminished in value; or
- 16 e. has been commingled with other property which cannot be divided
17 without difficulty,

18 the United States of America shall be entitled to forfeiture of substitute property pursuant
19 to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States
20 Code, Section 2461(c).

21 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28,
22 United States Code, Section 2461(c).

23 FOURTH FORFEITURE (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) –
24 ALLEGATION: Bankruptcy False Statement Forfeiture)

25 117. The factual allegations contained in Counts Twenty through Twenty-Two are
26 realleged and incorporated by reference.

27 118. Upon conviction of the false statements and/or false oath in bankruptcy
28 proceeding in violation of Title 18, United States Code, Section 152, set forth in Counts

1 Counts Twenty through Twenty-Two of this indictment, defendant,
2
3 WALTER LIEW
4 shall forfeit to the United States of America, pursuant to Title 18, United States Code,
5 Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real
6 or personal, which constitutes or is derived from proceeds traceable to a violation of Title
7 18, United States Code, Section 152.

8 119. If any of the property described above, as a result of any act or omission
9 of any defendant:

- 10 a. cannot be located upon the exercise of due diligence;
- 11 b. has been transferred or sold to, or deposited with, a third party;
- 12 c. has been placed beyond the jurisdiction of the court;
- 13 d. has been substantially diminished in value; or
- 14 e. has been commingled with other property which cannot be divided without

15 difficulty,
16 any and all interest defendants have in any other property (not to exceed the value of the
17 above forfeitable property) shall be forfeited to the United States pursuant to Title 21,
18 United States Code, Section 853(p), as incorporated by Title 18, United States Code,
19 Section 982(b)(1).

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1 The forfeiture is authorized by Title 18, United States Code, Section 981(a)(1)(C) and
2 Title 28, United States Code, Section 2461(c); Title 21, United States Code, Section
3 853(p) as incorporated by Title 18, United States Code, Section 982(b)(1); and Federal
4 Rule of Criminal Procedure 32.2.

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DATED: 3/12/13

A TRUE BILL


FOREPERSON

MELINDA HAAG
United States Attorney


MIRANDA KANE
Chief, Criminal Division

(Approved as to form: )
AUSA Peter B. Axelrod
AUSA John H. Hemann