

# 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 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 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

If Summons, complete following:

Arraignment  Initial Appearance

Defendant Address:

Bail Amount: \_\_\_\_\_

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

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.**  
▶ 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

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

If Summons, complete following:  
 Arraignment  Initial Appearance

Defendant Address:

Bail Amount: \_\_\_\_\_

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

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.**

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

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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**

- 1)  Has not been arrested, pending outcome of the case. 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

**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.**

▶ TZE CHAO, a.k.a. Zhao Zhi

DISTRICT COURT NUMBER  
CR 11-0573 JSW

**FILED**

**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  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

**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

**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.**

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

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:

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 or on bond.  
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

DEBENDANT  
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

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 arraignment/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:

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 STEEL VANADIUM AND TITANIUM  
COMPANY, LTD (PGSVTC)  
DISTRICT COURT NUMBER  
CR 11-0573 JSW

**FILED**

**MAR 7 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 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  
If Summons, complete following:  
 Arraignment  Initial Appearance  
Defendant Address:  
Date/Time: Before Judge:  
Comments:

Bail Amount: \_\_\_\_\_  
\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

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 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

**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

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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**

**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

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

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

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

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

25 DuPont Trade Secrets and Confidentiality Protections

26 12. DuPont was a company headquartered in Wilmington, Delaware that  
27 manufactured TiO<sub>2</sub>, a commercially valuable white pigment that was used in a large  
28 number of materials ranging from paints to plastics to paper. DuPont manufactured TiO<sub>2</sub>

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 TiO<sub>2</sub> pigment, and its TiO<sub>2</sub> accounted for  
4 approximately one-fifth of all world-wide TiO<sub>2</sub> sales.

5 13. DuPont invented the chloride-route process for manufacturing TiO<sub>2</sub> in the 1940s  
6 and has refined this process over time. The production of TiO<sub>2</sub> 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 TiO<sub>2</sub> process that provides DuPont  
10 with a competitive advantage in the international marketplace.

11 14. DuPont's TiO<sub>2</sub> technology included, but was not limited to, the following trade  
12 secrets:

13 a. **Trade Secret 1:** The DuPont chloride-route process to manufacture TiO<sub>2</sub>.  
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 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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 TiCl<sub>4</sub> 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 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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 TiO<sub>2</sub> process and access  
20 to it;
- 21 • requiring permission to access data systems that contain TiO<sub>2</sub>  
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 TiO<sub>2</sub> 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,  
15 PANGANG GROUP,  
16 PGSVTC,  
17 PANGANG GROUP TITANIUM, and  
18 PIETC,

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

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

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

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

///

///





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 TiO<sub>2</sub> technology. At PANGANG GROUP's  
4 instruction, CHAO contacted WALTER LIEW and asked LIEW about his chloride-route  
5 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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 TiO<sub>2</sub> 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,  
12 PANGANG GROUP,  
13 PGSVTC,  
14 PANGANG GROUP TITANIUM, and  
15 PIETC,

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

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

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

29 Manner and Means of the Conspiracy

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

32 ///

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 TiO<sub>2</sub>, 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,  
5 CHRISTINA LIEW, and  
6 USAPTI

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

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

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 TiO<sub>2</sub>, 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).  
28



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 TiO<sub>2</sub>, 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  
TiO<sub>2</sub>, 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 (‘TiO<sub>2</sub>’) 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 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 WALTER LIEW

3 shall forfeit to the United States of America, pursuant to Title 18, United States Code,  
4 Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real  
5 or personal, which constitutes or is derived from proceeds traceable to a violation of Title  
6 18, United States Code, Section 152.

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

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

14 difficulty,

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