

Third time lucky for another Samsung leader

February 5 2018, by Jung Ha-Won



Lee Jae-Yong arrives in court last August

Samsung heir Lee Jae-Yong on Monday became the third generation of his family to benefit from merciful legal treatment, when most of his bribery convictions were set aside and his jail sentence was replaced with a suspended term.

Lee, 49, is vice chairman of Samsung Electronics, the world's largest smartphone maker and the flagship of the Samsung Group founded by his grandfather in 1938.

Lee's father Lee Kun-Hee went on to build up the tech empire but was convicted of bribery in 1996. The Seoul Central District Court also found him guilty of tax evasion and other charges 10 years ago but suspended sentences meant he never served time in jail.

Similarly, his grandfather Lee Byung-Chull, who founded Samsung ("Three Stars") as a trading company in 1938, was engulfed in a huge case of smuggling involving his fertiliser manufacturing subsidiary in 1966. He avoided being charged after "donating" the firm to the state.

Lee himself was sentenced to five years in prison for bribing the then-South Korean president Park Geun-Hye and her secret confidante, and spent almost a year in custody after first being detained in February 2017.

But an appeals court on Monday dismissed most of his bribery convictions and gave him a suspended sentence for the rest, paving the way for his release.

'Minus touch'

Mild-mannered and often smiling inscrutably, bespectacled divorcee Lee Jae-Yong cuts a different figure from his father—a visionary but eccentric and reclusive leader who rarely made public appearances.

Lee Kun-Hee is credited with transforming a once-obscure electronics firm into a global powerhouse that today is the world's biggest maker of both mobile phones and memory chips.

But his son is not seen as having inherited his management prowess, with some critics instead ascribing to him a "Minus touch" after several of his pet projects at Samsung fizzled out.



Samsung Electronics is the world's largest smartphone maker

Profits at Samsung Electronics have soared despite his absence—last week it announced record numbers for both the fourth quarter and the 2017 full year—and its share price has roughly doubled in two years.

The junior Lee earned a degree in Asian history at South Korea's top Seoul National University before studying business at Japan's elite Keio

University and later Harvard.

In 1998 he married the granddaughter of the founder of South Korean food giant Daesang. The couple had a daughter and son but divorced in 2009 and Lee remains single.

He started his career at Samsung Electronics in 1991 before a rapid climb up the corporate ladder—common among offspring of the founding families of the South's powerful family-run conglomerates known as chaebol.

He became an executive in 2001, a vice president in 2010 and a president less than a year later, when the firm was growing rapidly thanks to its burgeoning smartphone business.

He was made vice chairman in 2012, a banner year when Samsung dethroned Apple as the world's top smartphone maker and shattered profit records every quarter.

But the stellar performance was largely credited to his father and an elite coterie of Samsung veterans at the now-disbanded Future Strategy Office, which dictated key management decisions at the sprawling empire.

Since a heart attack in 2014 left his father bedridden, Lee has functioned as the group's public face, attending major events and meetings with visiting luminaries.

But how much he has contributed to Samsung's business decisions remains unclear.

The Lee clan is known for its secrecy, with neither the scion nor his father having ever given a media interview.

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