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PREMIUM DAILY COVER

How A Taiwanese Immigrant Became A Multibillionaire Supplying America With Plastic Pipes



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Walter Wang borrowed money to buy a plastic pipe maker from his father, a legendary Taiwanese billionaire. He has since grown the business sevenfold and made his own multi-billion fortune living out the American dream.

By [Lindsey Choo](#), Forbes Staff

On Tuesday, President Biden announced a new rule from the Environmental Protection Agency that will require the replacement of nearly all the lead pipes in the U.S. within 10 years, an effort to improve the quality of drinking water. One company that will

almost surely benefit from the new regulation is Los Angeles-based JM Eagle, one of the world's largest makers of plastic pipes.

JM Eagle's CEO and owner, Walter Wang, 59, made his debut on The Forbes 400 list of richest Americans (No. 374) earlier this month with an estimated net worth of \$3.6 billion. The majority of his fortune lies in his ownership of \$2.3 billion (est. revenue) JM Eagle, which employs 2,000 people across three countries and which *Forbes* conservatively values at \$2.8 billion. (He also has a majority stake in PTM, a plastic pipe maker in Mexico). According to Wang, the new 10-year deadline to replace the pipes should boost his firm's revenue by 20% to 25%.

JM Eagle now has a roughly 10% market share of the plastics and pipe manufacturing industry in the U.S., the largest percentage held by one company, according to a July report by research firm IBISWorld. (All but 3% of its sales are generated in North America; 90% are in the U.S.) JM Eagle has been able to set itself apart in a commodity business that competes on price, Wang says, by creating a one-stop shop for all types of plastic pipe applications, including pipes made from the most commonly used plastics—polyvinyl chloride (PVC) and polyethylene (PE)—across 22 plants in North America.



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Its pipes are now pumping water, gas and electricity across multiple states and municipalities. Its PVC pipes are used everywhere from California's Joshua Tree National Park and Disneyland to the Fort Peck Indian reservation in northeast Montana to the Tesla Gigafactory in Austin, Texas and Grand Canyon National Park. In early October, it got calls from Home Depot and Lowe's to ship pipes

to stores in the area hit badly by Hurricane Helene as the big retail chains prepared for rebuilding.

Forbes sat down recently with Wang in his Manhattan apartment, where floor-to-ceiling windows overlook the New Jersey skyline. When *Forbes* arrived, Wang was in front of his laptop running quotes for customers, something he says he does for three to four hours every day.

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you try almost anything.”**

Over lunch, a bowl of wonton noodle soup along with several sides, Wang discussed why someone in his position personally handles these quote requests – to be involved in the minute details and know the market better than anybody else. “As an owner, you have to get your hands dirty yourself,” Wang tells *Forbes*.

Despite its size, Wang still considers the company a family business, just not one that was inherited the way some people may assume. The son of legendary Taiwan billionaire Wang Yung-ching (known as Y.C. Wang), he borrowed \$300 million from banks and \$30 million from Y.C. to buy JM Eagle from his dad in 2005, and has since grown it by more than seven-fold.

Wang moved from Taiwan to Berkeley, Calif. when he was nine with his mother. His older sister, Cher Wang (who would go on to found

Taiwanese smartphone giant HTC Corporation and who was briefly ranked No. 1 among *Forbes'* list of Taiwan's richest in 2011), was attending the University of California, Berkeley at the time. They lived in a \$50,000 house paid for by his mother's savings and money that had been set aside for his sisters' dowries, on an allowance of \$800 a month from his billionaire father.

It was only after a visit from his uncle, Wang Yung-tsai, that he and his sisters got \$5,000 for a new car. (He was riding with them over the San Francisco-Oakland Bay Bridge when the car started overheating and smoke came out of the engine. "You've got to buy those kids a new car," Yung-tsai told Y.C. when he returned to Taiwan.)

Wang had always dreamt of taking over Formosa Plastics – the plastics company his father Y.C. founded and that now has a market capitalization of almost \$10 billion. Y.C. was revered, and not just by his own son. One of the Asian nation's most celebrated entrepreneurs, he was born to a tea farmer when Taiwan was still a Japanese colony. With only an elementary school education, Y.C. built Formosa into one of Asia's biggest petrochemical producers. Walter Wang, who was one of his two sons, described feeling a kind of filial duty. "I chose to work for my father. I'm a son. I have that responsibility. You know how Asian people are. My father sort of expected that I would come to the company," Walter says.

After graduating from UC Berkeley, Wang started in one of his father's factories as a machine operator. In 1990, he met Shirley Fan, a UCLA graduate in her second week back in Taiwan, at a friend's party. "In Taiwan they had a saying about arrogant, rich people, 'Who do you think you are? Y.C. Wang's son?'" Shirley told *Forbes* in 2014. "But in reality he had no car." She was voted among her group of friends at UCLA as the one most likely to get married last, Shirley said. They were engaged within six months.

Wang worked his way up to eventually manage J-M Manufacturing, a U.S. subsidiary of Formosa. But when he tried to move into the president's office, he says, his father made him move back out, insisting that he was not the president by name.

He got the opportunity to forge his own path when his father offered him the chance to acquire J-M Manufacturing, valued at \$300 million, from Formosa in 2003. But there was a catch – he had to get the money himself. At the time, Wang says, he was making about \$100,000 a year. "No bank would touch me with a ten-foot pole," he says. On top of that, his father required him to pay an additional \$30 million. "What are you talking about? I'm your son," Wang recalls saying. That was the reason, Y.C. said. After many months of struggling for funding, his father agreed to sign a guarantee of \$30 million and he managed to borrow the remaining amount from 13 banks.

Just four days after he finally signed the deal in 2005, Wang, then age 40, got a biopsy of a small lump in his throat. Ten days later, he was diagnosed with stage 4 nasopharyngeal cancer and was told he had one year to live. Wang and Shirley flew to Hong Kong, where he underwent 195 hours of chemotherapy and 37 sessions of radiation over six months. After feeling like the treatments weren't working, they turned to prayer and on a friend's advice, took up the alternative practice of speaking in tongues.

“When you face death, you try almost anything,” Wang tells *Forbes*.

He returned to the United States with a clean bill of health in 2006 – which he credits to his Christian faith – ready to manage his newly acquired company, which was in New Jersey. But the American dream didn't come without American problems – JM Eagle (the new name for J-M Manufacturing after it acquired PW Eagle in 2007) was hit with a whistleblower lawsuit in 2006 while Wang was undergoing chemotherapy treatments. An engineer who was fired after a customer complained he had sought a bribe for resolving a warranty claim in his favor, alleged that he was fired because he reported that JM Eagle was misrepresenting the quality of the pipes they were selling.

The qui tam lawsuit – a type of whistleblower lawsuit that allows individuals to sue on behalf of the government to recover money lost to fraud – ended up stretching over 14 years and involved three states, 42 cities and water districts. In

2013, a federal jury found that the company had knowingly manufactured and sold to government entities substandard plastic pipe. But in 2020, a district court judge declared damages of \$0. Phillips & Cohen, the law firm that represented the plaintiffs, did not comment.

“There is no ‘real world’ evidence of defects as to the pipe,” Judge George H. Wu ruled, noting that plaintiffs failed to dig up and test the pipes. “It is undisputed that they have not ceased the use of that pipe and thereby have obtained, retained (for many years), and continue to receive value from it.”

“I know I didn't do anything wrong,” Wang says of the lawsuit, which is why he refused to settle even after Formosa, a co-defendant, settled for \$22.5 million and legal fees in 2014.

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JM Eagle was sued by the owner of a Minnesota electrical services company in August this year. This time it wasn't just JM but also other major PVC pipe manufacturers like Westlake (majority owned by the Chao family, whose members are all ranked at No. 256 on this year's Forbes 400 list). It accused them of conspiring to overcharge municipal and commercial buyers during the pandemic by sharing competitive data with

industry publication OPIS. “Litigation privilege allows anyone to say anything about a company or third party, whether true or not and be shielded from defamation,” Wang said in an emailed statement. Westlake declined to comment on pending litigation. OPIS did not respond to a request for comment.

Despite the lawsuits, “we still think America is the best place. If you want to start something, you can start from scratch,” says his wife Shirley, who has no role at her husband’s company but is cofounder and CEO of Los Angeles-based Plastpro, a fiberglass door manufacturer.

“Find where your passion is. Stick with it. Don’t give up if you think you’re doing the right thing,” Wang advises other entrepreneurs. After reading about the water crisis in Flint, Michigan, Wang flew there and attended a city council meeting in February 2016, where he offered to replace the city’s commercial and residential lead service lines for free. “He was so mortified by the fact that people were drinking this lead water from corroded pipes,” Shirley says.

After months of debate and research, the city ultimately declined the offer and decided to go with copper lines that **reportedly cost more than \$140 million** instead, despite Burton, Mich., the city just next door, saving \$2.2 million by using PVC pipes from JM Eagle. (Then Flint mayor Karen Weaver **reportedly** said there were “concerns about the lifespan of the plastic pipes due to the harsh weather conditions we experience in Michigan.”)



Walter Wang brought his idea of using pipes instead of wells to economist Jeffrey D. Sachs, who led the Millennium Villages project, in 2006. Pictured: villagers unloading pipes for an installation in Uganda in 2011. “You can only service a small community by the well, but if you have piped water, you could go anywhere,” Wang said. CREDIT: JM EAGLE

Others have been more receptive to his offers, he says. JM Eagle, for instance, helped local engineers design two service lines using polyethylene pipes after Honolulu’s Waikiki beach was forced to shut down in 2006 after a sewage line ruptured, dumping 48 million gallons of garbage into the ocean.

Internationally, the company says it has donated almost 400 miles of plastic pipe to eight African countries including Kenya, Uganda and Rwanda, as part of the Millennium Villages Project spearheaded by Columbia University’s Earth Institute between 2005 and 2015 to provide access to clean water.

When Y.C. passed away in 2008, it was unexpected, despite the fact that he was 91. “I think he expected to live to a hundred,” said Wang, which meant that he didn’t leave a will. This won’t happen in their family, both Wang and his wife say. About five years ago, Wang started bringing his three kids (who are now in

their 20s) to the plants to talk about how they are managed. They also started discussions about a family constitution and how they feel about inheritance – in an effort to break away from the Asian cultural tradition of not talking about succession. “Does the spouse need to sign a prenuptial? If there are relatives, should we hire them into the business? If we do, how should the process go?” he says, rattling off questions they discussed.

Wang says he has a “multigenerational mentality” when it comes to the business, to which he attributes his success. “I’m not in this business for five or 10 years,” he tells *Forbes*. “I’m in it for life.”

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