



Department of Justice

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HITACHI EXECUTIVE INDICTED FOR HIS ROLE IN LCD PRICE-FIXING CONSPIRACY

Japanese National Charged for Participation in Conspiracy to Fix Prices of LCD Panels Sold to Dell Inc.

WASHINGTON – A federal grand jury in San Francisco returned an indictment today charging an executive at Hitachi Displays Ltd. with participating in a global conspiracy to fix the prices of Thin Film Transistor-Liquid Crystal Display (TFT-LCD) panels sold to Dell Inc., the U.S. Department of Justice announced today.

The indictment, filed in U.S. District Court in San Francisco, charges Sakae Someya with conspiring with unnamed co-conspirators to suppress and eliminate competition by fixing the price of TFT-LCD panels sold to Dell for use in notebook computers. Someya participated in the conspiracy from on or about Jan. 1, 2001, to on or about Dec. 31, 2004. In 2006, the worldwide market for TFT-LCD panels was approximately \$70 billion.

Including today's indictment, four companies and eight individuals have been charged in the Department's ongoing antitrust investigation into the TFT-LCD industry. To date, more than \$585 million in fines have been imposed as a result of the TFT-LCD investigation.

"Practically every American consumer has been impacted by the TFT-LCD conspiracies," said Scott D. Hammond, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "Today the Department is holding a high-level executive accountable for his conduct."

Someya was charged with participating with co-conspirators in a conspiracy accomplished by the following means:

- Attending bilateral meetings and engaging in conversations and communications in Japan, Korea and the United States to discuss the prices of TFT-LCD panels sold to Dell;
- Agreeing during those meetings, conversations and communications to charge prices of TFT-LCD panels sold to Dell at certain levels;
- Exchanging information on sales of TFT-LCD panels sold to Dell, for the purpose of monitoring and enforcing adherence to the agreed-upon prices;

- Authorizing, ordering and consenting to the participation of subordinate employees in the conspiracy;
- Issuing price quotations in accordance with the agreements reached;
- Accepting payment for the supply of TFT-LCD panels sold at collusive, noncompetitive prices to Dell; and
- Taking steps to conceal the conspiracy and conspiratorial contacts through various means.

Someya is charged with violating the Sherman Act, which carries a maximum fine of \$1 million and 10 years imprisonment for individuals. The fine may be increased to twice the gain derived from the crime, or twice the loss suffered by the victims, if either of those amounts is greater than the statutory maximum.

On Dec. 15, 2008, LG Display Co. (LG) pleaded guilty to participating in a worldwide conspiracy to fix the price for TFT-LCD panels and was sentenced to pay a \$400 million criminal fine— the second-largest fine in Antitrust Division history. On Dec. 16, 2008, Sharp Corp. pleaded guilty to participating in three separate conspiracies to fix the prices of TFT-LCD panels sold to Dell, Apple Computer Inc. and Motorola Inc. and was sentenced to pay a \$120 million criminal fine. On Jan. 14, 2009, Chunghwa Picture Tubes Ltd. (Chunghwa) pleaded guilty to participating in the same worldwide conspiracy as LG, and was sentenced to pay a \$65 million criminal fine.

In February 2009, former Chunghwa CEO Chieng-Hon “Frank” Lin and two Chunghwa executives, Chih-Chun “C.C.” Liu and Hsueh-Lung “Brian” Lee, pleaded guilty to and were sentenced for participating in the same conspiracy as LG and Chunghwa. Lin was sentenced to serve nine months in prison and pay a \$50,000 criminal fine. Liu was sentenced to serve seven months in prison and pay a \$30,000 criminal fine. Lee was sentenced to serve six months in prison and pay a \$20,000 criminal fine. Also in February 2009, LG executive Chang Suk “C.S.” Chung pleaded guilty for his role in the same conspiracy as LG and Chunghwa. Chung was sentenced to serve seven months in prison and pay a \$25,000 criminal fine.

On Feb. 3, 2009, a federal grand jury in San Francisco returned an indictment charging two former Chunghwa executives, Cheng Yuan Lin, aka C.Y. Lin, and Wen Jun Cheng, aka Tony Cheng, and one former executive from LG, Duk Mo Koo, for their participation in the same conspiracy as LG and Chunghwa. Warrants have been issued for the arrest of all three individuals.

On March 10, 2009, Hitachi Displays Ltd. agreed to plead guilty and pay a \$31 million fine for its participation in a conspiracy to fix the prices of TFT-LCD panels sold to Dell for use in notebook computers from April 1, 2001, to March 31, 2004.

Someya's indictment is the result of a joint investigation by the Department of Justice Antitrust Division's San Francisco Field Office and the Federal Bureau of Investigation in San Francisco. Anyone with information concerning illegal conduct in the TFT-LCD industry is urged to call the San Francisco Field Office of the Antitrust Division at 415-436-6660.

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