



Department of Justice

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LARGEST TAIWANESE LCD PRODUCER, HOUSTON-BASED SUBSIDIARY
AND SIX EXECUTIVES INDICTED FOR PARTICIPATING
IN LCD PRICE-FIXING CONSPIRACY

Fines in LCD Investigation Total More Than \$860 Million

WASHINGTON – A federal grand jury in San Francisco returned a superseding indictment against the largest Taiwanese thin-film transistor-liquid crystal display panels (TFT-LCD) producer and seller, its Houston-based American subsidiary, and six of its executives for participating in a conspiracy to fix prices of TFT-LCD panels, the Department of Justice announced today.

The indictment, returned last night and filed today in U.S. District Court in San Francisco, charges that AU Optronics Corporation participated in a conspiracy to fix the prices of TFT-LCD panels sold worldwide from Sept. 14, 2001, to Dec. 1, 2006. AU Optronics Corporation, its American subsidiary, AU Optronics Corporation America, and six AU Optronics' executives, each a resident of Taiwan, participated in the conspiracy at various times during the alleged conspiracy time period.

TFT-LCD panels are used in computer monitors and notebooks, televisions, mobile phones and other electronic devices. By the end of the conspiracy period, the worldwide market for TFT-LCD panels was valued at \$70 billion. Companies directly affected by the LCD price-fixing conspiracy include some of the largest computer and television manufacturers in the world, including Apple, Dell and Hewlett Packard.

During the period covered by the indictment:

- Hsuan Bin Chen, AU Optronics' president, participated in the conspiracy from Oct. 19, 2001, to Dec. 1, 2006;
- Hui Hsiung, AU Optronics' executive vice president, participated in the conspiracy from Oct. 19, 2001, to Dec. 1, 2006;
- Lai-Juh Chen, AU Optronics' director of Desktop (Monitor) Display Business Group, participated in the conspiracy from Feb. 13, 2003, to Nov. 1, 2005;

- Shiu Lung Leung, AU Optronics' senior manager in the Desktop (Monitor) Display Business Group, participated in the conspiracy from May 15, 2002, to Dec. 1, 2006;
- Borlong Bai participated in the conspiracy from March 20, 2003, to Dec. 1, 2006. Bai was AU Optronics' senior manager of the Notebook Display Business Group and the director of the Notebook Display Business Group; and
- Tsannrong Lee participated in the conspiracy from Jan. 11, 2002, to Dec. 1, 2006. Lee was AU Optronics' senior manager of IT Display, senior manager of Desktop Display, director of Desktop Display and director of Notebook Display Business Groups.

According to the one count felony charge, AU Optronics and its executives, who are current employees or members of the board of directors for the company, carried out the conspiracy by agreeing to fix prices of TFT-LCD panels during meetings and issuing price quotations in accordance with the agreements reached. As a part of the conspiracy, executives from AU Optronics and its American subsidiary also exchanged information on sales of TFT-LCD panels for the purpose of monitoring and enforcing adherence to the agreed-upon prices.

Today's indictment supersedes an indictment filed on Feb. 3, 2009, against co-conspirators Cheng Yuan "C.Y." Lin and Wen Jun "Tony" Cheng, both former Chunghwa Picture Tubes LTD executives, and Duk Mo Koo, former LG Display Co. Ltd executive.

AU Optronics, which is based in Hsinchu, Taiwan, AU Optronics Corporation America and six of its executives are charged with price fixing in violation of the Sherman Act. The maximum penalty for the conviction of a Sherman Act violation is 10 years in prison, a \$1 million fine for individuals and a \$100 million fine for corporations. The maximum fines may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

As a result of this ongoing investigation, six companies have pleaded guilty and have been sentenced to pay criminal fines totaling more than \$860 million. Additionally, including today's indictment, 17 executives have been charged to date in the department's ongoing investigation.

Today's charges are the result of a joint investigation by the Department of Justice Antitrust Division's San Francisco Field Office and the FBI in San Francisco.

Anyone with information concerning illegal conduct in the TFT-LCD industry is urged to call the Antitrust Division's San Francisco Field Office at 415-436-6660 or visit www.justice.gov/atr/contact/newcase.htm.

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