

## Report: AMD ex-CEO said linked to Galleon case

October 28 2009

---

(AP) -- Chip maker Advanced Micro Devices Inc. is "thoroughly reviewing" published reports fingering former chairman and CEO Hector Ruiz as the AMD executive who gave confidential company information to a defendant in the Galleon Group insider trading case.

"We are not aware of any allegation of criminal misconduct on the part of any current or former AMD employees, nor have any current or former AMD employees been charged with a crime," AMD said in a statement Tuesday. A spokesman for the Sunnyvale, Calif.-based company declined to comment further.

Citing an unnamed person familiar with the matter, The Wall Street Journal reported on its Web site Tuesday that Ruiz is the AMD executive described in the Manhattan U.S. Attorney's Office complaint as passing inside information to defendant Danielle Chiesi.

Chiesi, 43, was among six hedge fund managers and corporate executives arrested earlier this month in a hedge fund insider trading case that authorities say generated more than \$25 million in illegal profits. Chiesi worked for New Castle, the equity hedge fund group of Bear Stearns Asset Management Inc. that had assets worth about \$1 billion under management, according to court papers.

Raj Rajaratnam, the Galleon Group portfolio manager at the center of the case, last week said Galleon would wind down its funds after publicity surrounding the case led some investors to pull out money.

Before he left AMD's [CEO](#) job last year, Ruiz was only the second person to run the company other than founder and longtime CEO Jerry Sanders and was one of the few Hispanic CEOs of a major U.S. corporation. Ruiz, now 63, left amid mounting investor frustration over AMD's finances. He was instrumental in orchestrating a fix: the spinoff of AMD's manufacturing operations into a company called GlobalFoundries Inc., of which he is now chairman.

A GlobalFoundries spokesman on Tuesday would say only that the allegations predate the company's launch.

AMD, which had \$5.8 billion in revenue last year, is small compared to its rival Intel Corp., but is significant because it is the world's No. 2 maker of microprocessors. Microprocessors are the "brains" of personal computers. Intel owns about 80 percent of that market - AMD essentially has the rest.

Before word of Ruiz's possible involvement surfaced, the highest-ranking corporate executive ensnared in the insider-trading scheme was an IBM Corp. senior vice president, Robert Moffat, who was once considered a possible candidate for CEO. Moffat was put on leave after the allegations surfaced and no longer serves as an officer of the company. Moffat is accused of leaking secrets about IBM's earnings and financial dealings with partners, including AMD.

That information allegedly included AMD's plans for GlobalFoundries. IBM was involved in those talks because it has a technology development partnership with AMD.

The indictment against Moffat and the person he's accused of supplying information to, Chiesi, says that an AMD executive also provided inside information to Chiesi, but that executive is not named.

The indictment quotes Chiesi allegedly boasting in wiretapped calls that she spoke multiple times with the AMD executive about the deal. The indictment quotes the AMD executive in multiple calls to Chiesi describing the timing and financial details of the deal, such as what would happen with AMD's debt under the new structure. In one call, on Sept. 16, 2008, the AMD executive was quoted as saying the spinoff wouldn't be announced until the following month and that it was going to "shock the hell out of everybody."

The spinoff was announced Oct. 7, 2008.

*©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.*

Citation: Report: AMD ex-CEO said linked to Galleon case (2009, October 28) retrieved 24 April 2024 from <https://phys.org/news/2009-10-amd-ex-ceo-linked-galleon-case.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.