

US seeks \$1 bn, prison for Taiwan execs in LCD case

September 13 2012

Prosecutors asked for a \$1 billion fine for Taiwan's AU Optronics and prison terms of 10 years for two top executives in the "most serious price-fixing" case in US history, court documents showed Wednesday.

According to a US government sentencing recommendation filed in federal court, "only these sentences could possibly reflect the seriousness of this offense or provide adequate deterrence."

The [US Justice Department](#) asked for the massive fine to be levied against Taiwan's largest maker of displays for computers, smartphones and other gadgets, for its conviction in a price-fixing scheme for LCD display panels.

It also called for top [company executives](#) H.B. Chen and Hui Hsiung to serve 10 years in prison and pay \$1 million fines.

"These defendants and AUO's subsidiary, AU Optronics Corporation America were central figures in the most serious price-fixing cartel ever prosecuted by the United States," the statement said.

"The correctly and conservatively calculated [sentencing guidelines](#) ranges—a corporate fine of \$936 million to \$1.872 billion and prison terms from 121 to 151 months—suggest that these sentences are lenient ones for the offense in this case."

AU Optronics, along with a Texas-based subsidiary and two former [top](#)

[executives](#), were convicted on conspiracy charges after a trial in US District Court in San Francisco.

They were charged in a price-fixing conspiracy that brought in more than half a billion dollars in "ill-gotten gains."

The companies, along with one-time president Chen and former executive vice president Hsiung, took part in a scheme to rig prices of [thin film transistor](#) liquid crystal (TFT-LCD) display panels from late 2001 to December in 2006, according to officials.

[LCD screens](#) are used in computers, laptops, televisions, smartphones and other gadgets.

Rival LCD makers met in secret at karaoke bars, tea rooms and hotel conference rooms in Taiwan to set prices rather than letting market forces prevail, according to the DOJ.

The jury's finding of \$500 million in ill-gotten gains by Optronics was based on US imports of LCD screens.

The convictions were part of an ongoing investigation that had already resulted in guilty pleas from seven other companies accused of taking part in the conspiracy.

US authorities say victims of the scheme included manufacturers such as Apple, Hewlett-Packard and Dell, as well as families, schools, small businesses and government agencies that paid higher prices as a result.

(c) 2012 AFP

Citation: US seeks \$1 bn, prison for Taiwan execs in LCD case (2012, September 13) retrieved 21 June 2024 from <https://phys.org/news/2012-09-bn-prison-taiwan-execs-lcd.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.