

## Oregon Department of Justice Attorney General John Kroger

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### **AG KROGER ANNOUNCES \$173 MILLION ANTITRUST SETTLEMENT**

**June 24, 2010**

#### **The agreement resolves antitrust and consumer protection claims filed by 33 states against manufacturers of Dynamic Random Access Memory (DRAM) computer chips**

Oregon Attorney General John Kroger today announced a \$173 million settlement based on allegations against six worldwide computer chip manufacturers for colluding in an industry price-fixing scheme that violated state and federal antitrust laws.

"This agreement should serve as a strong message that Oregon will not tolerate businesses that attempt to disrupt fair competition in the marketplace," said Deputy Attorney General Mary Williams.

Dynamic Random Access Memory (DRAM) is a common form of memory chip found in computers, servers, printers and other networking equipment. DRAM sales to major electronic manufacturers such as Dell, IBM and Hewlett-Packard exceed \$5 billion annually.

In July of 2006, Oregon and 32 other states filed a complaint in federal district court against DRAM manufacturers for their alleged participation in a conspiracy to raise, fix, maintain or stabilize the price of DRAM at inflated levels in violation of antitrust, unfair competition and consumer protection laws.

Manufacturers named in the lawsuit include American companies Micron Technology, Inc. and NEC Electronics America, Inc., as well as international companies Infineon Technologies AG (Germany); Hynix Semiconductor, Inc. (South Korea); Elpida Memory, Inc. (Japan); Mosel-Vitelec Corp. (Taiwan); and their American subsidiaries.

Oregon played a lead role in the multistate investigation which revealed that, from 1998 to 2002, the companies exchanged confidential information and agreed to quote inflated prices to customers. During that timeframe the companies sold at least \$20 billion in DRAM chips within the United States.

U.S. antitrust laws play a major role in the national economy by assuring that businesses can fairly compete and that consumers have the widest variety of choices at the lowest prices. Typical antitrust complaints involve allegations of price fixing, unlawful group boycotts and bid rigging.

In addition to paying \$173 million, the settlement requires the companies to refrain from illegal price-fixing and to provide compliance training for employees. Around \$115 million of the funds will go directly to consumers and businesses who overpaid on items containing the inflated DRAM chips. This settlement must be approved by the court, as well as an earlier announced settlement with Samsung and another company Winbond, in the amount of \$113 million. The exact amount that will be received by Oregon consumers, businesses and the state has not yet been determined.

The Oregon Attorney General is charged with enforcing both Federal and State antitrust statutes on behalf of Oregonians. Senior Assistant Attorney General Tim Nord from the Financial Fraud/Consumer Protection Section handled the case for the Department of Justice.

Attorney General John Kroger leads the Oregon Department of Justice. The Department's mission is to fight crime and fraud, protect the environment, improve child welfare, promote a positive business climate, and defend the rights of all Oregonians.

**Contact:**

Tony Green, (503) 378-6002 [tony.green@doj.state.or.us](mailto:tony.green@doj.state.or.us)