



Department of Justice

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MICRON EXECUTIVE AGREES TO PLEAD GUILTY TO OBSTRUCTING A PRICE-FIXING INVESTIGATION INVOLVING COMPUTER MEMORY CHIPS

WASHINGTON, D.C. -- An executive for Micron Technology Inc. (Micron) has agreed to plead guilty to obstructing the grand jury investigation of a suspected conspiracy to fix the price of dynamic random access memory (DRAM) products sold in the United States, the Department of Justice today announced.

Alfred P. Censullo was charged in U.S. District Court in San Francisco with obstruction of justice for altering and concealing documents containing competitor pricing information, which were requested in a federal grand jury subpoena. As Micron's regional sales manager for upstate New York, Censullo was responsible for Micron's DRAM sales to customers in his region, including the server division of International Business Machines Inc. (IBM).

"The Antitrust Division will proceed aggressively against those who obstruct grand jury investigations and attempt to prevent the Division from detecting and prosecuting price-fixing conspiracies," said R. Hewitt Pate, Assistant Attorney General in charge of the Antitrust Division.

Micron, based in Boise, Idaho, is the largest DRAM manufacturer in North America. DRAM is the most commonly used semiconductor memory product in the computer industry with billions of dollars in sales annually. DRAM provides high-speed storage and retrieval of electronic information in personal computers, servers, and other devices.

The charge states that in June 2002, a federal grand jury in the Northern District of California issued a subpoena to Micron requesting documents relating to a criminal antitrust investigation in the DRAM industry. The subpoena called for the production of documents relating to any contacts and communications between DRAM competitors regarding the pricing and sale of DRAM.

According to today's charge, after learning of the grand jury investigation and subpoena, Censullo altered his handwritten notes pertaining to telephone conferences among Micron sales managers discussing price recommendations for DRAM sales to the major computer original equipment manufacturer (OEM) customers and the prices at which competing DRAM suppliers would sell their products to major OEMs in upcoming price negotiations.

Additionally the charge states that Censullo removed and initially concealed 14 pages from his notebooks that contained competitor pricing information and obvious alterations that could be detected by the naked eye, which, if produced, would have alerted the Department of Justice that these documents had been altered.

The Department alleges that the alterations by Censullo were an attempt to disguise the nature, source, and accuracy of information responsive to the grand jury subpoena concerning contacts and communications between DRAM suppliers relating to the pricing and sale of DRAM. This evidence was central to the criminal antitrust investigation.

In announcing today's charge, James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division's Criminal Enforcement Program, said, "Only by protecting the integrity of the Division's criminal enforcement investigations from such obstructive conduct can we ensure that we effectively carry out our mandate to protect American business and consumers from price-fixing cartels."

Censullo was charged with obstruction of justice in violation of 18 U.S.C. § 1503, which carries a maximum penalty for an individual of 10 years imprisonment and a \$250,000 fine.

The Department's ongoing investigation into suspected price fixing in the DRAM industry is being conducted by the Antitrust Division's San Francisco Field Office with assistance from the Federal Bureau of Investigation.

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