



## **Cuomo Files Antitrust Suit Against Intel**

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New York State Attorney General Andrew Cuomo Wednesday filed an antitrust suit against Intel (INTC: 18.89, 0.3, 1.61%), the world's largest maker of computer chips.

In announcing the suit, Cuomo accused Intel of using "threats" and "bullying" to "preserve its stranglehold" on the computer chip market and offering kickbacks to computer makers to continue using the company's chips.

"It's not a surprise that these tactics worked, as each computer maker was dependent on Intel for the majority of its chips," Cuomo said. "Intel's illegal tactics have hurt companies, state governments and consumers not only in New York, but around the country and we intend to stop them."

In a conference call with reporters, Cuomo said scheme to cripple rival chip maker Advanced Micro Devices (AMD: 4.84, 0.15, 3.2%) was "orchestrated by the very top of the corporation."

"This is not a story of a few rogue employees going too far," Cuomo said.

The complaint alleges that Intel paid computer makers such as Dell and Hewlett Packard millions in rebates and other benefits to use its chips almost exclusively. Computer makers that didn't comply faced threats that Intel would subsidize competitors to undersell them, the complaint alleges.

Cuomo said his office is seeking monetary damages and penalties.

A spokesman for Intel told the Wall Street Journal the company would defend itself against the charges.

"We disagree with the New York attorney general," Intel Spokesman Chuck Mulloy, told the Journal. "Neither consumers who have consistently benefited from lower prices and increased innovation, nor Justice, are being served by the decision to file a case now."

Steve Lee, Managing Partner, Steve Lee & Co., who did forensic accounting work for Discover in its anti-trust suit against Visa and Mastercard, said Cuomo's focus may be on running for higher office as much as helping consumers.

The company will likely settle, Lee said, which will benefit nearly everyone involved.

"Because Intel has demonstrated they are amenable to being a little more agreeable than other firms that have been in a similar spots, Cuomo's office may have results by the time the election cycle turns," Lee said. "Arguably that may be better for everyone except Intel."

Shares of Intel are up 1.2% at \$18.73.

FOX Business Reporter Robert Gray contributed to this report.