



# Department of Justice

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TUESDAY, NOVEMBER 16, 2010  
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## **FORMER EXECUTIVES FROM TWO JAPANESE AIRLINES INDICTED IN CONSPIRACY TO FIX RATES ON AIR CARGO SHIPMENTS**

### ***Former Executives from Japan Airlines International and Nippon Cargo Airlines Charged***

WASHINGTON — An Atlanta grand jury returned an indictment today against a former executive of Japan Airlines International Co. Ltd. (JAL) and two former executives of Nippon Cargo Airlines Co. Ltd. for participating in a conspiracy to fix and coordinate components of rates for air cargo shipments to and from the United States, the Department of Justice announced today.

The indictment, returned today in U.S. District Court in Atlanta, charges Takao Fukuchi, former president of JAL Cargo Sales, and Yoshio Kunugi and Naoshige Makino, both former senior executives for Nippon Cargo Airlines, with conspiring with others to suppress and eliminate competition by fixing and coordinating certain components of cargo rates charged to customers for international air shipments to and from the United States. Fukuchi and Kunugi are charged with entering into and participating in the conspiracy from at least as early as December 1999 until at least February 2006. Makino is charged with joining and participating in the conspiracy from at least as early as June 2001 until at least February 2006.

Air cargo carriers transport a variety of cargo shipments, such as heavy equipment, perishable commodities and consumer goods, on scheduled international flights.

According to the indictment, Fukuchi, Kunugi, Makino and co-conspirators participated in meetings, conversations and communications to discuss and fix certain components of cargo rates and coordinated the timing of changes to those rates. As part of the conspiracy, Fukuchi, Kunugi, Makino and co-conspirators implemented collusive cargo rates in accordance with the agreements reached, and accepted payments for shipments at collusive and noncompetitive rates.

Fukuchi, Kunugi and Makino are charged with price fixing in violation of the Sherman Act, which carries a maximum penalty for each individual of 10 years in prison and a \$1 million criminal fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

A total of 19 airlines and 17 executives, including Fukuchi, Kunugi and Makino, have been charged in the Justice Department's ongoing investigation into price fixing in the air

transportation industry. To date, more than \$1.7 billion in criminal fines have been imposed and four executives have been sentenced to serve prison time. Charges are pending against 13 executives, including Fukuchi, Kunugi and Makino.

Today's charge is the result of a joint investigation into the air transportation industry being conducted by the Antitrust Division's National Criminal Enforcement Section and Atlanta Field Office, the FBI's field offices in Washington and Atlanta, the Department of Transportation's Office of Inspector General and the U.S. Postal Service's Office of Inspector General. Anyone with information concerning price fixing or other anticompetitive conduct in the air transportation industry is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694 or visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm), or call the FBI's Washington Field Office at 202-278-2000.

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