



# Department of Justice

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## **SIX JAPANESE FREIGHT FORWARDING COMPANIES AGREE TO PLEAD GUILTY TO CRIMINAL PRICE-FIXING CHARGES**

### *Companies Agree to Pay a Total of \$46.8 Million in Criminal Fines*

WASHINGTON – Six Japanese freight forwarders have agreed to plead guilty and to pay criminal fines totaling \$46.8 million for their roles in a conspiracy to fix certain fees in connection with the provision of freight forwarding services for air cargo shipments from Japan to the United States, the Department of Justice announced today. These are the second round of charges filed as a result of the department’s antitrust investigation of the freight forwarding industry.

According to charges filed separately today in U.S. District Court for the District of Columbia, six companies – Kintetsu World Express Inc.; Hankyu Hanshin Express Co. Ltd.; Nippon Express Co. Ltd.; Nissin Corporation; Nishi-Nippon Railroad Co. Ltd.; and Vantec Corporation – engaged in a conspiracy to fix and impose certain freight forwarding service fees, including fuel surcharges and various security fees, charged to customers for services provided in connection with air freight forwarding shipments of cargo shipped by air from Japan to the United States from about September 2002 until at least November 2007.

Under the plea agreements, which are subject to court approval, the six companies have agreed to pay the following criminal fines: Kintetsu World Express, \$10,465,677; Hankyu Hanshin Express, \$4,522,065; Nippon Express, \$21,115,396; Nissin Corporation, \$2,644,779; Nishi-Nippon Railroad, \$4,673,114; and Vantec Corporation, \$3,339,648. Each company has also agreed to cooperate with the department’s ongoing antitrust investigation.

“Including today’s charges, 12 companies have agreed to plead guilty and nearly \$100 million in criminal fines have been obtained as a result of the Antitrust Division’s ongoing freight forwarding investigation,” said Sharis A. Pozen, Acting Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “Prosecuting these kinds of global price fixing conspiracies, that are harmful to the economy and consumers, has been and will continue to be a top priority of the Antitrust Division.”

Freight forwarders manage the domestic and international delivery of cargo for customers by receiving, packaging, preparing and warehousing cargo freight, arranging for cargo shipment through transportation providers such as air carriers, preparing shipment documentation, and providing related ancillary services.

According to the charges, the companies carried out the conspiracy by, among other things, agreeing during meetings and discussions to coordinate and impose certain freight forwarding service fees and charges on customers purchasing freight forwarding services for cargo shipped by air from Japan to the United States. The department said that the companies levied freight forwarding service fees in accordance with the agreements reached and engaged in meetings and discussions for the purpose of monitoring and enforcing adherence to the agreed-upon freight forwarding service fees.

As a result of the department's investigation into the freight forwarding industry, on Sept. 30, 2010, six international freight forwarders – EGL Inc.; Kühne + Nagel International AG; Geologistics International Management (Bermuda) Limited; Panalpina World Transport (Holding) Ltd.; Schenker AG; and BAX Global Inc. – agreed to plead guilty and to pay criminal fines totaling \$50.27 million for their roles in several conspiracies to impose certain charges or fees on customers purchasing international freight forwarding services for cargo freight destined for air shipment to the United States during various periods between 2002 and 2007.

Each company is charged with price fixing in violation of the Sherman Act, which carries a maximum \$100 million fine for corporations. 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.

Today's charges are the result of a joint investigation into the freight forwarding industry being conducted by the Antitrust Division's National Criminal Enforcement Section, the FBI's Washington Field Office and the Department of Commerce's Office of Inspector General. Anyone with information concerning the price fixing or other anticompetitive conduct in the freight forwarding industry is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694 or visit [www.justice.gov/atr/contract/newcase.htm](http://www.justice.gov/atr/contract/newcase.htm) or call the FBI's Washington Field Office at 202-278-2000.

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