



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, APRIL 26, 2012
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DENSO CORPORATION EXECUTIVE AGREES TO PLEAD GUILTY TO AUTOMOBILE PARTS PRICE-FIXING AND BID-RIGGING CONSPIRACY

Executive Agrees to Serve 14 Months in U.S. Prison

WASHINGTON – An executive of Japanese-based DENSO Corporation has agreed to plead guilty and to serve 14 months in a U.S. prison for his role in a conspiracy to fix prices and rig bids for heater control panels (HCPs) installed in U.S. cars, the Department of Justice announced today.

According to the one-count felony charge filed today in the U.S. District Court for the Eastern District of Michigan in Detroit, Makoto Hattori, along with co-conspirators, engaged in a conspiracy to rig bids for and to fix, stabilize and maintain the prices of HCPs sold to a customer in the United States and elsewhere. HCPs are located in the center console of an automobile and control the temperature of the interior environment of a vehicle.

According to the charge, Hattori participated in the conspiracy from at least as early as July 2005, until at least July 2008. During the conspiracy, Hattori was an assistant manager in the Toyota Sales Division at DENSO from July 2005 until December 2006, and a manager in the Toyota Sales Division from December 2006 until at least July 2008. According to the plea agreement, which is subject to court approval, Hattori has agreed to serve 14 months in a U.S. prison, to pay a \$20,000 criminal fine and to cooperate with the department's ongoing investigation.

“The Antitrust Division remains committed to holding executives accountable for engaging in illegal conduct that directly impacts the pocketbooks of American consumers and businesses,” said Acting Assistant Attorney General Sharis A. Pozen in charge of the Department of Justice's Antitrust Division. “Criminal antitrust enforcement remains a top priority and the division will continue to work with the FBI and our law enforcement counterparts to root out this kind of cartel conduct that results in higher, non-competitive prices.”

According to court documents, Hattori and co-conspirators carried out the conspiracy by agreeing, during meetings and conversations, to allocate the supply of HCPs on a model-by-model basis and to coordinate price adjustments requested by an automobile manufacturer in the United States and elsewhere. The department said that Hattori and the co-conspirators sold HCPs

at non-competitive prices and engaged in meetings and conversations for the purpose of monitoring and enforcing adherence to the agreed-upon bid-rigging and price-fixing scheme.

Including Hattori, nine individuals and five companies have been charged in the department's ongoing investigation into price fixing and bid rigging in the auto parts industry. Furukawa Electric Co. Ltd, DENSO Corporation and Yazaki Corporation have pleaded guilty and been sentenced to pay a total of more than \$748 million in criminal fines. G.S. Electech Inc. and Fujikura Ltd have agreed to plead guilty and await sentencing. Additionally, seven of the individuals - Junichi Funo, Hirotsugu Nagata, Tetsuya Ukai, Tsuneaki Hanamura, Ryoji Kawai, Shigeru Ogawa and Hisamitsu Takada – have been sentenced to pay criminal fines and to serve jail sentences ranging from a year and a day to two years each. The remaining two individuals, Hattori and Norihiro Imai, have agreed to plead guilty and await sentencing.

Hattori is charged with price fixing in violation of the Sherman Act, which carries a maximum sentence of 10 years in prison and a \$1 million criminal fine for individuals. The maximum fine for an individual 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 charge arose from an ongoing federal antitrust investigation into bid rigging, price fixing and other anticompetitive conduct in the automotive parts industry, which is being conducted by the Antitrust Division's National Criminal Enforcement Section and the FBI's Detroit Field Office with the assistance of the FBI headquarters' International Corruption Unit. Anyone with information concerning the focus of this investigation is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694 visit www.justice.gov/atr/contact/newcase.htm, or the FBI's Detroit Field Office at 313-965-2323.

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