



# Department of Justice

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TUESDAY, MAY 21, 2013  
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## **TWO DENSO CORPORATION EXECUTIVES AGREE TO PLEAD GUILTY FOR PRICE FIXING AND BID RIGGING ON AUTO PARTS INSTALLED IN U.S. CARS**

### *Executives Agree to Serve Time in U.S. Prison*

WASHINGTON – Two DENSO Corp. executives – Yuji Suzuki and Hiroshi Watanabe – have agreed to plead guilty for their roles in international conspiracies to fix prices and rig bids of certain automotive components installed in U.S. cars, the Department of Justice announced today. The executives, both Japanese nationals, have also agreed to serve time in a U.S. prison.

Yuji Suzuki, a senior manager in DENSO's Toyota Sales Division, has agreed to serve 16 months in a U.S. prison, to pay a \$20,000 criminal fine and to cooperate with the department's ongoing investigation. Hiroshi Watanabe, a group leader in DENSO's Toyota Sales Division at the time of the offense, has agreed to serve 15 months in a U.S. prison, to pay a \$20,000 criminal fine and to cooperate with the department's ongoing investigation.

"The conspirators reached agreements to fix prices and allocate bids, and took measures such as using code names and meeting in secret to cover their tracks," said Scott D. Hammond, Deputy Assistant Attorney General for the Antitrust Division's criminal enforcement program. "Cracking down on international price-fixing cartels that target U.S. businesses and consumers has been, and will continue to be, among the top priorities for the Antitrust Division."

According to the two-count felony charge filed today in U.S. District Court for the Eastern District of Michigan in Detroit, Suzuki, along with co-conspirators, engaged in a conspiracy to rig bids for, and to fix, stabilize and maintain the prices of, electronic control units and heater control panels sold to Toyota Motor Corporation and Toyota Motor Engineering and Manufacturing North America Inc. in the United States and elsewhere. According to the charges, Suzuki participated in the electronic control units conspiracy from at least as early as August 2005 until at least December 2008 and participated in the heater control panels conspiracy from at least as early as July 2005 until at least December 2008.

According to a one-count felony charge filed today in the U.S. District Court for the Eastern District of Michigan in Detroit, Watanabe participated in a conspiracy to rig bids for, and to fix, stabilize and maintain the prices of, heater control panels sold to Toyota from at least as early as June 2008 and continuing until at least February 2010 in the United States and elsewhere.

In March 2012, DENSO pleaded guilty and was sentenced to pay a \$78 million criminal fine for its role in the conspiracies related to electronic control units and heater control panels.

Electronic control units are electrical components, similar to tiny computers, which are embedded throughout cars and control various electrical systems or subsystems in an automobile. For example, a body electronic control unit controls the power windows, power locks and other electronic components on the door. Heater control panels are located in the center console of a car and control the temperature inside the car.

“Those individuals who engage in price fixing and bid rigging negatively impact the automotive industry by causing vehicle buyers and makers to pay higher prices. The FBI is committed to pursuing and prosecuting these criminals,” said Robert D. Foley III, Special Agent in Charge, FBI Detroit Division.

According to the charges against Suzuki and Watanabe, they carried out the conspiracies by participating, or directing the participation of subordinate employees, in meetings and conversations to coordinate and fix prices of automotive parts installed in U.S. cars and elsewhere.

To date, nine companies and 14 executives have pleaded guilty or agreed to plead guilty in the department’s ongoing investigation into price fixing and bid rigging in the automotive parts industry. DENSO, Nippon Seiki Ltd., Tokai Rika Co. Ltd., Furukawa Electric Co. Ltd, Yazaki Corp., G.S. Electech Inc., Fujikura Ltd., Autoliv Inc. and TRW Deutschland Holding GmbH pleaded guilty and were sentenced to pay a total of more than \$809 million in criminal fines. Additionally, 12 individuals have been sentenced to pay criminal fines and to serve jail sentences ranging from a year and a day to two years each.

Suzuki and Watanabe are charged with price fixing in violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a \$1 million criminal fine for individuals. 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.

The charges are the result of an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the automotive parts industry, which is being conducted by each of the Antitrust Division’s criminal enforcement sections and the FBI. Today’s charges were brought 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 on price fixing, bid rigging and other anticompetitive conduct related to other products in the automotive parts industry should contact the Antitrust Division’s Citizen Complaint Center at 1-888-647-3258, visit [www.justice.gov/atr/contact/newcase.html](http://www.justice.gov/atr/contact/newcase.html) or call the FBI’s Detroit Field Office at 313-965-2323.

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