



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, JULY 16, 2013
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AT
(202) 514-2007
TTY (866) 544-5309

**DIAMOND ELECTRIC MFG. CO. LTD. AND AN AUTOLIV INC. EXECUTIVE
AGREE TO PLEAD GUILTY TO PRICE FIXING ON AUTOMOBILE PARTS
INSTALLED IN U.S. CARS**

First Case Involving Parts Sold Directly to Automobile Company Headquartered in U.S.

WASHINGTON – Osaka, Japan-based Diamond Electric Mfg. Co. Ltd. has agreed to plead guilty and to pay a \$19 million criminal fine for its role in a conspiracy to fix prices of ignition coils installed in cars sold in the United States and elsewhere, the Department of Justice announced today. This is the first case in the department's antitrust investigation involving parts sold directly to an automobile company headquartered in the United States – Ford Motor Co. The department also announced that an Autoliv Inc. executive has agreed to plead guilty for his role in a conspiracy to fix the prices of certain seatbelts sold to Toyota Motor Corp. for installation in cars manufactured and sold in the United States and elsewhere.

Diamond Electric has agreed to cooperate with the department's ongoing investigation. Takayoshi Matsunaga, a current employee of Autoliv and former vice president of the Toyota Global Business Unit at Autoliv Japan, agreed to serve one year and one day in a U.S. prison, to pay a \$20,000 criminal fine and to cooperate with the department's ongoing investigation. The plea agreements for both Diamond Electric and Matsunaga are subject to court approval.

According to a one-count felony charge filed today in U.S. District Court for the Eastern District of Michigan in Detroit, Diamond Electric engaged in a conspiracy, by agreeing during meetings and conversations, to rig bids for, and to fix, stabilize and maintain the prices of ignition coils it sold to Ford Motor Co., Toyota Motor Corp., Fuji Heavy Industries Ltd. and certain of their subsidiaries, in the United States and elsewhere, on a model-by-model basis. According to the charge, Diamond Electric and its co-conspirators carried out the conspiracy from at least as early as July 2003 until at least February 2010.

"Today's prosecutions brings the total to 10 companies and 15 executives held accountable for fixing prices on parts used to manufacture cars in the United States," said Scott D. Hammond, Deputy Assistant Attorney General of the Antitrust Division's criminal enforcement program. "The Antitrust Division and its law enforcement partners will protect American businesses and consumers from harmful price-fixing cartels and bring those responsible to justice."

Diamond Electric manufactures and sells ignition coils. Ignition coils are part of the fuel ignition system. They are responsible for quickly releasing electricity to the spark plugs for ignition.

According to a one-count felony charge filed today in the U.S. District Court for the Eastern District of Michigan in Detroit, Matsunaga, a Japanese national, engaged in a conspiracy to rig bids for, and to fix, stabilize and maintain the prices of certain seatbelts sold to Toyota in the United States and elsewhere. According to the charge, Matsunaga's involvement in the conspiracy lasted from on or about May 2008 until at least February 2011.

"Those who engage in price fixing, bid rigging and other fraudulent schemes harm the automotive industry by driving up costs for vehicle makers and buyers," said Robert D. Foley III, Special Agent in Charge, FBI Detroit Division. "The FBI is committed to pursuing and prosecuting these individuals for their crimes."

According to the charge, Matsunaga and his co-conspirators carried out the conspiracy by, among other things, agreeing during meetings and discussions to coordinate bids submitted to Toyota. Matsunaga is the 15th individual to agree to plead guilty in the department's ongoing antitrust investigation into price fixing and bid rigging in the auto parts industry.

Stockholm-based Autoliv Inc. is a manufacturer of automotive occupant safety systems, including certain seatbelts. In June 2012, Autoliv agreed to plead guilty and to pay a \$14.5 million criminal fine for its role in a conspiracy to fix the prices of certain seatbelts, airbags and steering wheels installed in U.S. cars.

Including Diamond Electric and Matsunaga, 10 companies and 15 executives have pleaded guilty or agreed to plead guilty in the division's ongoing investigation into price fixing and bid rigging in the auto parts industry and have agreed to pay a total of \$828 million in criminal fines. 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 have already pleaded guilty. 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. Two additional executives have agreed to serve time in prison and are currently awaiting sentencing.

Diamond Electric and Matsunaga are charged with price fixing in violation of the Sherman Act, which carries maximum penalties of a \$100 million criminal fine for corporations and 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 or call the FBI's Detroit Field Office at 313-965-2323.

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