



Department of Justice

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AT
(202) 514-2007
TTY (866) 544-5309

FORMER PRESIDENT AND VICE PRESIDENT OF DIAMOND ELECTRIC AGREE TO PLEAD GUILTY TO PARTICIPATING IN AUTO PARTS PRICE-FIXING CONSPIRACY

Each Executive Agrees to Serve More than a Year in U.S. Prison

WASHINGTON – The former president and vice president of Osaka, Japan-based Diamond Electric Mfg. Co. Ltd. have agreed to plead guilty for their participation in a global conspiracy to fix prices of ignition coils installed in cars sold in the United States and elsewhere, the Department of Justice announced today. Ignition coils are part of a car's fuel ignition system and release electric energy suddenly to ignite a fuel mixture.

Separate felony charges were filed today in U.S. District Court for the Eastern District of Michigan in Detroit against Shigehiko Ikenaga and Tatsuo Ikenaga. According to court documents, from at least as early as July 2003 until at least February 2010, the former executives participated in a conspiracy to rig bids for, and to fix, stabilize and maintain the prices of ignition coils sold to automotive manufacturers for installation in vehicles manufactured in the United States and elsewhere. The automotive manufacturers included Ford Motor Co., Toyota Motor Corp. and Fuji Heavy Industries Ltd. – more commonly known by its brand name, Subaru – and certain of their subsidiaries.

Shigehiko Ikenaga, president of Diamond Electric during the relevant period, agreed to serve 16 months in a U.S. prison. Tatsuo Ikenaga, Diamond Electric's managing director, and then vice president beginning in 2008, agreed to serve 13 months in a U.S. prison. Tatsuo Ikenaga also simultaneously served as president of Diamond Electric's U.S. subsidiary during the relevant period. Additionally, the former executives have each agreed to pay a \$5,000 criminal fine and to cooperate with the department's ongoing investigation. Each of the Ikenaga's plea agreements is subject to court approval. On Sept. 10, 2013, Diamond Electric pleaded guilty for its involvement in the conspiracy and was fined \$19 million.

"The two former executives charged today once again demonstrate the Antitrust Division's vigorous commitment to hold individuals accountable for engaging in anticompetitive conduct," said Brent Snyder, Deputy Assistant Attorney General for the Antitrust Division's criminal enforcement program. "The division's ongoing investigation has resulted in more than two dozen executives serving prison time for their participation in illegal, auto parts conspiracies."

Diamond Electric is a manufacturer of ignition coils and was engaged in the sale of ignition coils in the United States and elsewhere. According to the charges, the Diamond Electric executives and their co-conspirators carried out the conspiracy by, among other things, agreeing during meetings and communications to coordinate bids submitted to automobile manufacturers.

Each executive is charged with price fixing and bid rigging 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 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.

Including today's charges, 28 individuals and 24 companies have been charged in the government's ongoing investigation into price fixing and bid rigging in the auto parts industry.

Today's charges arose from 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 pleas are the result of the National Criminal Enforcement Section with the assistance of the Detroit Field Office of the FBI. 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 Detroit Field Office of the FBI at 313-965-2323.

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