



Department of Justice

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PANASONIC EXECUTIVE INDICTED FOR ROLE IN FIXING PRICES ON AUTOMOBILE PARTS SOLD TO TOYOTA TO BE INSTALLED IN U.S. CARS

WASHINGTON — A Detroit federal grand jury returned an indictment against a Panasonic Automotive Systems Corporation executive for his role in an international conspiracy to fix prices of switches and steering angle sensors sold to Toyota and installed in U.S. cars, the Department of Justice announced today.

The indictment, filed today in U.S. District Court for the Eastern District of Michigan, in Detroit, charges that Shinichi Kotani, a Japanese national, participated in a conspiracy to suppress and eliminate competition in the automotive parts industry by agreeing to rig bids for, and to fix, stabilize, and maintain the prices of, switches and steering angle sensors sold to Toyota Motor Corporation and Toyota Motor Engineering & Manufacturing North America Inc. for installation in vehicles manufactured and sold in the United States and elsewhere. Kotani is the Director of Global Automotive Marketing and Sales at Panasonic.

Panasonic is an Osaka, Japan-based manufacturer of automotive parts, including steering wheel switches, turn switches, wiper switches, combination switches, and steering angle sensors. Panasonic pleaded guilty in August 2013, to its role in the conspiracy and was sentenced to pay a \$45.8 million criminal fine.

The indictment alleges, among other things, that from at least as early as January 2004 until at least February 2010, Kotani and his co-conspirators attended meetings to reach collusive agreements to rig bids, allocate the supply and fix the prices of switches and steering angle sensors sold to Toyota. The indictment alleges that Kotani and his co-conspirators had further communications to monitor and enforce the collusive agreement.

“The Antitrust Division remains vigilant in its ongoing efforts to hold executives accountable when they engage in anticompetitive conduct that harms American consumers,” said Scott D. Hammond, Deputy Assistant Attorney General for the Antitrust Division’s criminal enforcement program. “As a result of the Antitrust Division’s ongoing investigation into bid rigging and price fixing in the auto parts industry, 19 executives have been charged.”

“I am proud of the hard work done by the FBI agents and the Department of Justice attorneys who worked on this case,” said John Robert Shoup, Acting Special Agent in Charge, FBI Detroit Division. “The global resources of the FBI are always ready to respond when these complex financial conspiracies threaten our national economy.”

Kotani is 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.

Including Kotani, 11 companies and 19 executives have been charged in the Justice Department's ongoing investigation into the automotive parts industry. To date, more than \$874 million in criminal fines have been imposed and 14 individuals have been sentenced to pay criminal fines and to serve jail sentences ranging from a year and a day to two years each. One other executive has agreed to serve time in prison and is scheduled to be sentenced on Sept. 25, 2013.

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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