



Department of Justice

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THREE JAPANESE EXECUTIVES INDICTED AS JUSTICE DEPARTMENT CONTINUES ITS PROBE IN PRICE FIXING IN THE FAX PAPER INDUSTRY

WASHINGTON, D.C. -- A Boston federal grand jury returned two separate indictments today charging three Japanese fax paper executives with price fixing in connection with the Department of Justice's ongoing antitrust investigation into the \$120 million a year thermal fax paper market.

The Department's investigation has already resulted in several individual and corporate guilty pleas, with fines totaling more than \$10 million.

Thermal fax paper is used primarily by small businesses and home fax machine owners who depend on low prices for their office products.

Yoshihiro Kurachi and Noburu Kurushima were charged in a one-count felony indictment with conspiring to fix the price of thermal fax paper sold to a major customer, Rittenhouse Inc.

According to the charges, Kurushima, an executive with Mitsubishi Paper Mills, and Kurachi, an executive with Kanzaki Paper Manufacturing Co. Ltd., met in Japan in 1991 and agreed not to discount the price of fax paper sold to Rittenhouse. As a result, Rittenhouse purchased fax paper at higher prices. Rittenhouse, located in Park Ridge, Illinois, purchased approximately \$10 million of fax paper in 1991.

In a separate indictment, Koichi Tano, an executive with Kanzaki Paper Manufacturing Co. Ltd., was charged with participating in a price fixing agreement from July 1991 until at least February 1992.

According to the charges, Tano met with co-conspirators at the offices of Kanzaki Specialty Papers Inc., located in Tarrytown, New York, and agreed to increase the prices of fax paper sold in North America.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, stated that the charges arose from a grand jury investigation being conducted by the Antitrust Division's Litigation I Section in Washington, D.C. The investigation is continuing and has been conducted jointly with Canadian Antitrust authorities.

In September 1995, Mitsubishi Paper Mills and New Oji Paper Co. agreed to plead guilty and settle price fixing charges. Mitsubishi Paper Mills agreed to pay \$1.8 million and New Oji Paper agreed to pay \$1.75 million in criminal fines.

Kanzaki Specialty Papers, of Ware, Massachusetts; its former president, Kazuhiko Watanabe; Mitsubishi International Corporation, of New York; Mitsubishi Corporation, of Tokyo, Japan; and Elof Hansson Paper & Board Inc. previously pleaded guilty to similar price fixing charges. Kanzaki Specialty Papers was fined \$4.5 million and Watanabe was fined \$165,000. Mitsubishi Corporation was fined \$1.26 million and Mitsubishi International was fined \$450,000. Elof Hansson was fined \$200,000.

In December 1995, a Boston grand jury indicted U.S. and Japanese corporations and individuals for participating in price-fixing conspiracies. Jujo Paper Co. Ltd. and Nippon Paper Industries Co. Ltd., both of Tokyo, Japan, were charged with participating in a 1990 conspiracy to fix the price of fax paper sold in North America. Appleton Papers Inc. of Appleton, Wisconsin, its vice president of research and development, Jerry Wallace, and Hirinori Ichida, an executive of Mitsubishi Paper Mills Ltd., of Tokyo, Japan, were charged with participating in a 1991 conspiracy to fix the price of fax paper sold to customers in North America. These charges are pending trial.

The maximum penalty for an individual convicted of a Sherman Act violation is three years in jail and a fine of the greater of \$350,000, twice the pecuniary gain the individual derived from the crime, or twice the pecuniary loss suffered by the victims of the crime.

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