



Department of Justice

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THREE INTERNATIONAL COMPANIES TO PLEAD GUILTY IN FOOD FLAVORING CARTEL

Agree To Pay More Than \$9 Million In Criminal Fines

WASHINGTON, D.C. -- Two Japanese corporations, Ajinomoto Co. Inc. and Daesang Japan Inc., and one Korean corporation, Cheil Jedang Corporation, agreed to plead guilty and pay criminal fines totaling more than \$9 million for participating in a worldwide conspiracy to fix the prices of, and allocate customers for nucleotides, a food flavor enhancer, the Department of Justice announced today. Nucleotides are organic compounds used in soups, sauces, spices and other foods to enhance their flavor.

In separate one-count criminal cases filed in U.S. District Court in Dallas, the Department of Justice charged Ajinomoto, Daesang, and Cheil with conspiring to fix the prices of, and allocate customers for nucleotides sold in the United States and elsewhere. The conspiracy began as early as July 1992 and continued until at least August 1996. Ajinomoto has agreed to pay a fine of \$6 million in connection with its guilty plea, while Cheil has agreed to pay a \$3 million fine and Daesang has agreed to pay a \$90,000 fine. On August 23, 2001, Tamon Tanabe, a Japanese citizen and executive of Ajinomoto, was indicted by a federal grand jury in Dallas for participating in the same worldwide conspiracy.

“These cases reflect the Antitrust Division’s resolve to proceed aggressively against illegal international cartels that harm American businesses and consumers,” said Charles A. James, Assistant Attorney General in charge of the Antitrust Division.

According to today's charges, Ajinomoto, Daesang, and Cheil:

- agreed to raise and fix prices for nucleotides;
- agreed to allocate customers of nucleotides; and
- participated in meetings and conversations to monitor and enforce adherence to the agreed-upon prices, the timing of price increases, and the allocation of customers.

"The Antitrust Division is committed to the elimination of cartels such as this, regardless of the location of the conspirators," said James M. Griffin, the Antitrust Division's Deputy Assistant Attorney General for criminal enforcement.

Each defendant is charged with violating Section One of the Sherman Act, which carries a maximum fine of \$10 million for corporations. 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.

Today's cases resulted from an ongoing investigation being conducted by the Antitrust Division's Dallas Field Office and the Federal Bureau of Investigation in Dallas.

Anyone with information concerning price fixing in the food flavor enhancer industry should contact the Dallas Field Office of the Antitrust Division at (214) 880-9401, or the Dallas Office of the FBI at (214) 720-2200.

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