Department of Justice

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JAPANESE AND GERMAN EXECUTIVES INDICTED FOR THEIR ROLES IN AN INTERNATIONAL PRICE-FIXING CONSPIRACY

First Charges Brought Against Individuals in Carbon Cathode Block Investigation

WASHINGTON, D.C.-- A federal grand jury in Camden, New Jersey today indicted two foreign nationals for their roles in an international conspiracy to fix the price of carbon cathode block, a carbon product know for its strength and resistance to heat and chemical reaction. This is the first case in this investigation charging individuals, the Department of Justice said.

According to the one-count felony indictment, filed in U.S. District Court in Camden, Shogo Ando, a Japanese citizen and former president of Nippon Electrode Company Ltd. (NDK) of Japan, and Manfred A. Mueller, a German citizen and a former executive of VAW Carbon GmbH (VAW) of Germany, conspired with unnamed co-conspirators to suppress and eliminate competition in the carbon cathode block industry in the United States and elsewhere from as early as June 1995 and continuing at least through December 1997.

Because of its superior conductivity properties, carbon cathode block is commonly used in aluminum smelters or pots in the production of primary aluminum manufactured in the United States and elsewhere.

Today's case against these two executives is the fourth case involving charges concerning a price-fixing conspiracy of carbon cathode block. Previously Anchor Industrial Products Inc. (formerly Hepworth), NDK, and VAW separately were charged and each pleaded guilty to conspiring with others to suppress and eliminate competition in the carbon cathode block industry. They were sentenced to pay fines totaling in excess of $2 million for their roles in this conspiracy.

"The Antitrust Division will continue to pursue violations of the Antitrust laws that harm American consumers and businesses," said Charles A. James, Assistant Attorney General in charge of the Antitrust Division.

The two executives were charged with carrying out the price-fixing conspiracy by:

- participating in meetings and conversations in Asia and Europe to discuss the prices of carbon cathode block sold in the U.S. and elsewhere;
- agreeing, during those meetings and conversations, to charge prices at certain levels and otherwise to increase and maintain prices of carbon cathode block sold in the U.S. and elsewhere; and
- exchanging sales and customer information for the purpose of monitoring and enforcing adherence to the terms of the agreements reached.

Ando and Mueller are charged with violating Section One of the Sherman Act (15 U.S.C. § 1), which carries a maximum penalty of three years imprisonment and a $350,000 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.

Today's charge is the result of an ongoing investigation being conducted by the Antitrust Division's Philadelphia Field Office and the Federal Bureau of Investigation in Philadelphia.

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