

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

v.

G.S. ELECTECH, INC.

Defendant.

**Case:2:12-cr-20215**

Judge: Battani, Marianne O.

MJ: Michelson, Laurie J.

Filed: 04-03-2012 At 10:25 AM

INFO USA V. G.S. ELECTECH INC (DA)

Violation: 15 U.S.C. § 1

**INFORMATION**

**COUNT ONE  
CONSPIRACY TO RESTRAIN TRADE  
(15 U.S.C. § 1)**

THE UNITED STATES, ACTING THROUGH ITS ATTORNEYS, CHARGES:

**Defendant and Co-Conspirators**

1. G.S. Electech, Inc. ("Defendant") is a corporation organized and existing under the laws of Japan with its principal place of business in Toyota City, Japan. During the period covered by this Information, Defendant was engaged in the business of assembling and selling speed sensor wire assemblies to an automobile manufacturer for installation in vehicles manufactured and sold in the United States and elsewhere.

2. Various corporations and individuals, not made defendants in this Information, participated as co-conspirators in the offense charged in this Information and performed acts and made statements in furtherance of it.

3. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction

by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

#### **Background of the Offense**

4. During the period covered by this Information, Defendant and its co-conspirators supplied speed sensor wire assemblies to an automobile manufacturer for installation in vehicles manufactured and sold in the United States and elsewhere. During the period covered by this Information, Defendant and its co-conspirators manufactured and assembled speed sensor wire assemblies (a) in the United States for installation in vehicles manufactured and sold in the United States, (b) in Japan and elsewhere for export to the United States and installation in vehicles manufactured and sold in the United States, and (c) in Japan for installation in vehicles manufactured in Japan for export to and sale in the United States.

5. Speed sensor wire assemblies are installed on automobiles with an Antilock Brake System (“ABS”). The speed sensor wire assemblies connect a sensor on each tire to the ABS and carry electrical signals from the sensors to the ABS to instruct it when to engage. When purchasing speed sensor wire assemblies, automobile manufacturers issue Requests for Quotation (“RFQs”) to automotive parts suppliers on a model-by-model basis for model specific parts. Automotive parts suppliers submit quotations, or bids, to the automobile manufacturers in response to RFQs, and the automobile manufacturers award the business to the selected automotive parts supplier for the lifespan of the model, which is usually four to six years. Typically, the bidding process for a particular model begins approximately three years prior to the start of production. Japanese automobile manufacturers procure parts for U.S.-manufactured vehicles both in Japan and the United States.

### **Conspiracy to Restrain Trade**

6. From at least as early as January 2003 and continuing until at least February 2010, the exact dates being unknown to the United States, Defendant and its co-conspirators participated in a combination and 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, speed sensor wire assemblies sold to an automobile manufacturer in the United States and elsewhere. The combination and conspiracy engaged in by Defendant and its co-conspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of the Sherman Antitrust Act, 15 U.S.C. § 1.

7. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendant and its co-conspirators, the substantial terms of which were to rig bids for, and to fix, stabilize, and maintain the prices of, speed sensor wire assemblies sold to an automobile manufacturer in the United States and elsewhere.

### **Manner and Means of the Conspiracy**

8. For purposes of forming and carrying out the charged combination and conspiracy, Defendant and its co-conspirators did those things that they combined and conspired to do, including, among other things:

a. participating in meetings, conversations, and communications in Japan to discuss the bids and price quotations to be submitted to an automobile manufacturer in the United States and elsewhere;

b. agreeing, during those meetings, conversations, and communications, on bids and price quotations to be submitted to an automobile manufacturer in the United States and elsewhere;

c. agreeing, during those meetings, conversations, and communications, to allocate the supply of speed sensor wire assemblies sold to an automobile manufacturer in the United States and elsewhere on a model-by-model basis;

d. agreeing, during those meetings, conversations, and communications, to coordinate price adjustments requested by an automobile manufacturer in the United States and elsewhere;

e. submitting bids, price quotations, and price adjustments to an automobile manufacturer in the United States and elsewhere in accordance with the agreements reached;

f. selling speed sensor wire assemblies to an automobile manufacturer in the United States and elsewhere at collusive and noncompetitive prices;

g. accepting payment for speed sensor wire assemblies sold to an automobile manufacturer in the United States and elsewhere at collusive and noncompetitive prices;

h. engaging in meetings, conversations, and communications in Japan for the purpose of monitoring and enforcing adherence to the agreed-upon bid-rigging and price-fixing scheme; and

i. employing measures to keep their conduct secret, including, but not limited to, using code names and instructing participants to destroy evidence of the collusion.

#### **Trade and Commerce**

9. During the period covered by this Information, Defendant and its co-conspirators sold to an automobile manufacturer located in various states in the United States substantial quantities of speed sensor wire assemblies shipped from outside the United States and from other

states in a continuous and uninterrupted flow of interstate and foreign trade and commerce. In addition, substantial quantities of equipment and supplies necessary to the production and distribution of speed sensor wire assemblies sold by Defendant and its co-conspirators, as well as payments for speed sensor wire assemblies sold by Defendant and its co-conspirators, traveled in interstate and foreign trade and commerce. The business activities of Defendant and its co-conspirators in connection with the production and sale of speed sensor wire assemblies that were the subject of the charged conspiracy were within the flow of, and substantially affected, interstate and foreign trade and commerce.

**Jurisdiction and Venue**

10. The combination and conspiracy charged in this Information was carried out with the United States during the five years preceding the filing of this Information.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Dated: \_\_\_\_\_

s/Sharis A. Pozen  
Sharis A. Pozen  
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Antitrust Division  
United States Department of Justice

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