

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

v.

HITACHI AUTOMOTIVE SYSTEMS, LTD.,

Defendant.

Case:2:13-cr-20707

Judge: Battani, Marianne O.

MJ: Michelson, Laurie J.

Filed: 09-26-2013 At 08:37 AM

INFO USA V HITACHI AUTOMOTIVE SYSTEMS, LTD. (HM)

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. Hitachi Automotive Systems, Ltd. ("Defendant") is a corporation organized and existing under the laws of Japan with its principal place of business in Tokyo, Japan. During the period covered by this Information, Defendant, including its affiliate Hitachi Automotive Systems Americas, Inc.; the former Hitachi Automotive Systems Group of Hitachi, Ltd., as it existed prior to July 1, 2009; the former Hitachi Unisia Automotive, Ltd.; and the former Tokico, Ltd., was engaged in the business of manufacturing and selling certain products, including starter motors, alternators, air flow meters, valve timing control devices, fuel injection systems, electronic throttle bodies, ignition coils, inverters and/or motor generators to Nissan Motor Company Ltd., Ford Motor Company, Toyota Motor Corporation, General Motors LLC, Honda Motor Company, Ltd., and certain of their subsidiaries, affiliates and suppliers and others ("automobile manufacturers") 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, including its affiliate Hitachi Automotive Systems Americas, Inc.; the former Hitachi Automotive Systems Group of Hitachi, Ltd., as it existed prior to July 1, 2009; the former Hitachi Unisia Automotive, Ltd.; and the former Tokico, Ltd., and its co-conspirators supplied starter motors, alternators, air flow meters, valve timing control devices, fuel injection systems, electronic throttle bodies, ignition coils, inverters and/or motor generators (hereinafter, "automotive parts") to automobile manufacturers for installation in vehicles manufactured and sold in the United States and elsewhere. During the period covered by this Information, Defendant, including its affiliate Hitachi Automotive Systems Americas, Inc.; the former Hitachi Automotive Systems Group of Hitachi, Ltd., as it existed prior to July 1, 2009; the former Hitachi Unisia Automotive, Ltd.; and the former Tokico, Ltd., and its co-conspirators manufactured automotive parts: (a) in the United States and elsewhere 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 and elsewhere for installation in vehicles manufactured in Japan and elsewhere for export to and sale in the United States.

5. The Defendant, including its affiliate Hitachi Automotive Systems Americas, Inc.; the former Hitachi Automotive Systems Group of Hitachi, Ltd., as it existed prior to July 1, 2009; the former Hitachi Unisia Automotive, Ltd.; and the former Tokico, Ltd., was engaged in the manufacture of automotive parts, as defined in Paragraph 4 of this Information. The Defendant, including its affiliate Hitachi Automotive Systems Americas, Inc.; the former Hitachi Automotive Systems Group of Hitachi, Ltd., as it existed prior to July 1, 2009; the former Hitachi Unisia Automotive, Ltd.; and the former Tokico, Ltd., was engaged in the sale of automotive parts in the United States and elsewhere, and employed 5,000 or more individuals. Automotive parts, as defined in Paragraph 4, means starter motors, alternators, air flow meters, valve timing control devices, fuel injection systems, electronic throttle bodies, ignition coils, inverters and/or motor generators. Starter motors are small electric motors used in starting internal combustion engines. Alternators are electromechanical devices that generate an electric current while engines are in operation. Air flow meters measure the volume of air flowing into engines. Valve timing control devices control the timing of engine valves' operation, and include the VTC actuator and/or solenoid valve. Fuel injection systems admit fuel or a fuel/air mixture into engine cylinders, and may include injectors, high pressure pumps, rail assemblies, feed lines and other components sold as a unitary system. Fuel injection systems can also be sold as part of a broader system, such as an engine management system, or as separate components, such as the injectors, feed lines, high pressure pumps, and/or rail assemblies. Electronic throttle bodies control the amount of air flowing into engines. Ignition coils release electric energy to ignite the fuel/air mixture in cylinders. Inverters convert direct current electricity to alternating current. Motor generators are electric motors used to power electric drive systems that can also capture energy from the process of stopping a vehicle to generate electricity through regenerative braking. When purchasing automotive parts, automobile manufacturers typically 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. Automobile manufacturers procure parts for U.S.-manufactured vehicles in the United States and elsewhere.

Conspiracy to Restrain Trade

6. From at least as early as January 2000 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 allocate the supply of, rig bids for, and fix, stabilize, and maintain the prices of, certain automotive products sold to automobile manufacturers 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 allocate the supply of, rig bids for, and to fix, stabilize, and maintain the prices of, automotive parts sold to automobile manufacturers 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 the United States and elsewhere to discuss the bids and price quotations to be submitted to automobile manufacturers in the United States and elsewhere;

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

c. agreeing, during those meetings, conversations, and communications, to allocate the supply of automotive parts sold to automobile manufacturers in the United States and elsewhere;

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

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

f. selling automotive parts to automobile manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

g. accepting payment for automotive parts sold to automobile manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

h. engaging in meetings, conversations, and communications in the United States and elsewhere 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 meeting at remote locations.

Trade and Commerce

9. During the period covered by this Information, Defendant, including its affiliate Hitachi Automotive Systems Americas, Inc.; the former Hitachi Automotive Systems Group of Hitachi, Ltd., as it existed prior to July 1, 2009; the former Hitachi Unisia Automotive, Ltd.; and the former Tokico, Ltd., and its co-conspirators sold to automobile manufacturers located in various states in the United States substantial quantities of automotive parts 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 automotive parts sold by Defendant and its co-conspirators, as well as payments for automotive parts 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 automotive parts 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, at least in part, in the Eastern District of Michigan within the five years preceding the filing of this Information.

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

Dated: SEPTEMBER 26, 2013

s/ SCOTT D. HAMMOND

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