

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

v.

SHIGEHICO IKENAGA,

Defendant.

Case:2:14-cr-20045
Judge: Tarnow, Arthur J.
MJ: Randon, Mark A.
Filed: 01-31-2014 At 09:38 AM
INFO USA V. SHIGEHICO IKENAGA (DA)

Violation: 15 U.S.C. § 1

INFORMATION

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

THE UNITED STATES, ACTING THROUGH ITS ATTORNEYS, CHARGES:

Defendant and Co-Conspirators

1. During the period covered by this Information, Shigehiko Ikenaga (“Defendant”) was employed by Diamond Electric Mfg. Co., Ltd. (“Diamond Electric”), a corporation organized and existing under the laws of Japan, with its principal place of business in Osaka, Japan. During the period covered by this Information, Defendant was employed as the President of Diamond Electric. During the period covered by this Information, Diamond Electric was engaged in the business of manufacturing and selling ignition coils to automobile manufacturers, including Ford Motor Company, Toyota Motor Corporation, and Fuji Heavy Industries Ltd., and certain of their subsidiaries, (“the 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 and his co-conspirators supplied ignition coils to Automobile Manufacturers for installation in vehicles manufactured and/or sold in the United States and elsewhere.

5. During the period covered by this Information, Diamond Electric and its co-conspirators manufactured ignition coils (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 for export to and sale in the United States.

6. Ignition coils are part of the fuel ignition system and release electric energy suddenly to ignite a fuel mixture. When purchasing ignition coils, automobile manufacturers issue Requests for Quotation (“RFQs”) to automotive parts suppliers, often on an engine or model basis. 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 engine or model, which is usually four to six years. Typically, the bidding process for a particular engine or model begins approximately three years prior to the start of production. Automobile manufacturers procure parts for U.S.-manufactured vehicles both in Japan and the United States.

Conspiracy to Restrain Trade

7. From at least as early as July 2003 until at least February 2010, the exact dates being unknown to the United States, Defendant and his 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, ignition coils sold to Automobile Manufacturers in the United States and elsewhere. The combination and conspiracy engaged in by Defendant and his 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.

8. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendant and his co-conspirators, the substantial terms of which were to rig bids for, and to fix, stabilize, and maintain the prices of, ignition coils sold to automobile manufacturers in the United States and elsewhere.

Manner and Means of the Conspiracy

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

a. participating in meetings, conversations, and communications 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 ignition coils 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 bids, price quotations, and price adjustments to automobile manufacturers in the United States and elsewhere in accordance with the agreements reached;

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

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

h. employing measures to keep their conduct secret, including, but not limited to, using code names and meeting at discreet locations.

Trade and Commerce

10. During the period covered by this Information, Diamond Electric and its co-conspirators sold to automobile manufacturers located in various states in the United States substantial quantities of ignition coils 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 ignition coils sold by Diamond Electric and its co-conspirators, as well as payments for ignition coils sold by Diamond Electric and its co-conspirators, traveled in

interstate and foreign trade and commerce. The business activities of Defendant and his co-conspirators in connection with the production and sale of ignition coils 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

11. 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: 1/31/14

s/Brent Snyder
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