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CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA	)	**INDICTMENT**
	)	
v.	)	Case No.: 3:14CR138
	)	
YASUO RYUTO;	)	JUDGE JUDGE ZOUHARY IG
YOSHIYUKI TANAKA;	)	
ISAO YOSHIDA,	)	
	)	Title 15, United States Code Section 1
Defendants.	)	

The Grand Jury charges:

GENERAL ALLEGATIONS

At all times material to this Indictment:

1. Bridgestone Corporation ("Bridgestone") was a corporation organized and existing under the laws of Japan with its principal place of business in Tokyo, Japan, and did business in the United States through various subsidiaries, including Bridgestone APM Company ("BAPM") in Findlay, Ohio. Bridgestone was a supplier of automotive anti-vibration rubber products in the United States and elsewhere to automobile manufacturers and their suppliers and affiliates, including but not limited to Toyota Motor Corporation, Toyota Motor Engineering & Manufacturing North America, Inc., and affiliated companies ("Toyota"); Nissan Motor Corporation, Nissan North America, Inc., and affiliated companies ("Nissan"); Fuji Heavy Industries, Ltd., Subaru of Indiana Automotive, Inc., and affiliated companies ("Subaru"); and Suzuki Motor Corporation and affiliated companies ("Suzuki").

2. YASUO RYUTO was an employee of Bridgestone whose job responsibilities included the sale of automotive anti-vibration rubber products to automobile manufacturers in

the United States and elsewhere. From approximately 1991 until 1999, RYUTO was a Manager ("Kacho") with responsibility for sales of automotive anti-vibration rubber products to Toyota. From April 2001 until December 2003, RYUTO was a General Manager ("Bucho") overseeing Bridgestone's sales of automotive anti-vibration rubber products to automobile manufacturers in the United States and elsewhere, including Toyota, Nissan, Subaru, and Suzuki. From January 2004 until September 2007, RYUTO was a Director ("Honbucho") overseeing, among other things, Bridgestone's sales of automotive anti-vibration rubber products to automobile manufacturers in the United States and elsewhere, including Toyota, Nissan, Subaru, and Suzuki. From October 2007 until June 2008, RYUTO was a Director ("Honbucho") overseeing Bridgestone's Industrial Products and Construction Materials Division.

3. YOSHIYUKI TANAKA was an employee of Bridgestone whose job responsibilities included the sale of automotive anti-vibration rubber products to automobile manufacturers in the United States and elsewhere. From approximately 1991 until March 2001, TANAKA was a Staff Member within the automotive anti-vibration rubber products sales department. From January 2004 until June 2008, TANAKA was a Manager ("Kacho") with responsibility for sales of automotive anti-vibration rubber products to Toyota and Suzuki; during this period, TANAKA reported directly to ISAO YOSHIDA. From July 2008 until February 2011, TANAKA was an Executive Vice-President at BAPM, with responsibility for sales of automotive anti-vibration rubber products to various automobile manufacturers located in the United States.

4. ISAO YOSHIDA was an employee of Bridgestone whose job responsibilities included the sale of automotive anti-vibration rubber products to automobile manufacturers in the United States and elsewhere. From approximately 1997 until December 2003, YOSHIDA

was a Manager ("Kacho") with responsibility for sales of automotive anti-vibration rubber products to Toyota. From January 2004 until September 2008, YOSHIDA was a General Manager ("Bucho") overseeing Bridgestone's sales of automotive anti-vibration rubber products to automobile manufacturers in the United States and elsewhere, including Toyota, Nissan, Subaru, and Suzuki; during most of this period, YOSHIDA reported directly to RYUTO.

5. Other corporations and individuals, known and unknown to the Grand Jury, participated as co-conspirators in the offense charged in this Indictment and performed acts and made statements in furtherance of it. Whenever in this Indictment 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, agents, employees, or other representatives while they were actively engaged in the management, direction, control or transaction of its business or affairs.

6. Automotive anti-vibration rubber products are comprised primarily of rubber and metal, and are installed in automobiles to reduce engine and road vibration. Automotive anti-vibration rubber products are installed in suspension systems and engine mounts, as well as other parts of an automobile.

7. Automotive anti-vibration rubber products are typically custom-designed to fit specific automobile models or platforms, and are developed over a year in advance of an automobile model entering the market. Before ordering automotive anti-vibration rubber products for a new automobile model, automobile manufacturers typically request pricing from suppliers, through requests for quotation ("RFQs"). In response to an RFQ, the suppliers each submit a price quote, or bid, to automobile manufacturers. When a supplier receives part orders

for a particular automobile model, it typically supplies the parts for the duration of that model, which is usually four to six years.

8. In addition to RFQs, automobile manufacturers negotiate price adjustments with automotive anti-vibration rubber products suppliers by requesting annual or semi-annual price reductions ("APR"), which typically lead to reductions in the price of automotive anti-vibration rubber products. Conversely, automotive anti-vibration rubber products suppliers negotiate price adjustments with automobile manufacturers by requesting price increases to account for material cost increases ("MCI"), which typically lead to increases in the price of automotive anti-vibration rubber products.

9. Bridgestone, BAPM, and its co-conspirators shipped substantial quantities of automotive anti-vibration rubber products in a continuous and uninterrupted flow of interstate and foreign trade and commerce to automobile manufacturers in the United States and elsewhere. In addition, substantial quantities of equipment and supplies necessary to produce and distribute such automotive anti-vibration rubber products, as well as substantial payments for such products, traveled in interstate and foreign trade and commerce. The business activities of the Defendants and co-conspirators in connection with the sale of automotive anti-vibration rubber products that are the subject of this Indictment were within the flow of, and substantially affected, interstate and foreign trade and commerce.

The Grand Jury further charges:

COUNT ONE

(Conspiracy to Restrain Trade - 15 U.S.C. § 1)

10. Paragraphs 1-9 of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

THE CONSPIRACY

11. Beginning at least as early as January 2001 and continuing until at least December 2008, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Western Division, and elsewhere, the Defendants and co-conspirators knowingly entered into and participated in a conspiracy to suppress and eliminate competition in the automotive parts industry in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

12. Defendant RYUTO knowingly participated in the conspiracy from at least as early as April 2001 until at least May 29, 2008. The statute of limitations for the charged offense was tolled from May 6, 2013 to April 30, 2014, pursuant to an agreement between Defendant RYUTO and the United States.

13. Defendant TANAKA knowingly participated in the conspiracy from at least as early as January 2004 until at least June 2008. The statute of limitations for the charged offense was tolled from May 9, 2013 to April 30, 2014, pursuant to an agreement between Defendant TANAKA and the United States.

14. Defendant YOSHIDA knowingly participated in the conspiracy from at least as early as January 2001 until at least July 2008. The statute of limitations for the charged offense was tolled from May 6, 2013 to April 30, 2014, pursuant to an agreement between Defendant YOSHIDA and the United States.

OBJECT OF THE CONSPIRACY

15. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the Defendants and co-conspirators, the substantial terms of which were to suppress and eliminate competition in the automotive parts industry by

agreeing to allocate sales of, to rig bids for, and to fix, raise, and maintain the prices of automotive anti-vibration rubber products, and to sell those products at collusive and noncompetitive prices to automobile manufacturers in the United States and elsewhere.

MANNER AND MEANS OF THE CONSPIRACY

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

(a) participating in meetings, conversations, and other communications to discuss the bids, price quotations, and price adjustments to be submitted to automobile manufacturers in the United States and elsewhere;

(b) agreeing, during those meetings, conversations, and communications, to allocate sales of certain automotive anti-vibration rubber products sold in the United States and elsewhere for various automobiles including, but not limited to, the Toyota Tacoma, Camry, Tundra, Sequoia, Corolla, Sienna, Venza, and Highlander;

(c) agreeing, during those meetings, conversations, and communications, on bids, price quotations, and price adjustments to be submitted to automobile manufacturers in the United States and elsewhere;

(d) exchanging information on bids, price quotations, and price adjustments to be submitted to automobile manufacturers in the United States and elsewhere, in order to effectuate the agreements;

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

(f) selling automotive anti-vibration rubber products to automobile manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

(g) accepting payment for automotive anti-vibration rubber products 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 words and meeting at rented conference rooms.

17. Pursuant to his managerial roles at Bridgestone, Defendant RYUTO instructed and encouraged certain of Bridgestone's employees under his supervision, directly or indirectly, to communicate with co-conspirators at other companies in order to allocate sales of, rig bids for, and fix, raise, and maintain the prices of automotive anti-vibration rubber products; was aware certain employees engaged in such communications; and condoned such communications. On May 29, 2008, Defendant RYUTO certified to Bridgestone that he would review his past business activities and report potentially anti-competitive conduct within the preceding five years of which he was aware. Despite the certification, Defendant RYUTO did not report to Bridgestone the conduct alleged in this Indictment.

18. Pursuant to his managerial roles at Bridgestone, Defendant TANAKA instructed and encouraged certain of Bridgestone's employees under his supervision, directly or indirectly, to communicate with co-conspirators at other companies in order to allocate sales of, rig bids for,

and fix, raise, and maintain the prices of automotive anti-vibration rubber products; was aware certain employees engaged in such communications; and condoned such communications. On June 26, 2008, Defendant TANAKA certified to Bridgestone that he would review his past business activities and report potentially anti-competitive conduct within the preceding five years of which he was aware. Despite the certification, Defendant TANAKA did not report to Bridgestone the conduct alleged in this Indictment.

19. Pursuant to his managerial roles at Bridgestone, Defendant YOSHIDA instructed and encouraged certain of Bridgestone's employees under his supervision, directly or indirectly, to communicate with co-conspirators at other companies in order to allocate sales of, rig bids for, and fix, raise, and maintain the prices of automotive anti-vibration rubber products; was aware certain employees engaged in such communications; and condoned such communications. On July 14, 2008, Defendant YOSHIDA certified to Bridgestone that he would review his past business activities and report potentially anti-competitive conduct within the preceding five years of which he was aware. Despite the certification, Defendant YOSHIDA did not report to Bridgestone the conduct alleged in this Indictment.

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

TRUE BILL

Original document – Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.

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United States v. Yasuo Ryuto, et al.

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