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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

v.

VALEO JAPAN CO., LTD.

Defendant.

Case: 5:13-cr-20713
Judge: O'Meara, John Corbett
MJ: Michelson, Laurie J.
Filed: 09-26-2013 At 08:41 AM
INFO USA V VALEO JAPAN CO., LTD. (H
M)

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. Valeo Japan Co., Ltd. ("Defendant") is a corporation organized and existing under the laws of Japan with its principal place of business in Saitama, Japan. During the period covered by this Information, Defendant was engaged in the business of manufacturing and selling automotive air conditioning systems and related components ("Air Conditioning Systems"), to Nissan North America, Inc., Suzuki Motor Corporation, and Fuji Heavy Industries Ltd. (Subaru), ("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 its co-conspirators supplied Air Conditioning Systems to Automobile Manufacturers for installation in vehicles manufactured and/or sold in the United States and elsewhere. Air Conditioning Systems are systems that cool the interior environment of a vehicle. Air Conditioning Systems, whether sold together or separately, are defined as automotive compressors, condensers, HVAC units (typically consisting of a blower motor, actuators, flaps, evaporator, heater core, and filter embedded in a plastic housing), control panels, sensors, and associated hoses and pipes.

5. During the period covered by this Information, Defendant and its co-conspirators manufactured Air Conditioning Systems: (a) in Japan and elsewhere for export to the United States and installation in vehicles manufactured and sold in the United States; and (b) in Japan for installation in vehicles manufactured in Japan, some of which were then exported to and sold in the United States.

6. When purchasing Air Conditioning Systems, 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 April 2006 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, to rig bids for, and to fix, stabilize, and maintain the prices of, Air Conditioning Systems 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, Air Conditioning Systems 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 Air Conditioning Systems sold to Automobile Manufacturers, on a model-by-model basis, 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 Air Conditioning Systems to Automobile Manufacturers in the United States and elsewhere at collusive and noncompetitive prices; and
- g. accepting payment for Air Conditioning Systems sold to Automobile Manufacturers in the United States and elsewhere at collusive and noncompetitive prices.

Trade and Commerce

9. During the period covered by this Information, Defendant and its co-conspirators sold to Automobile Manufacturers located in various states in the United States substantial quantities of Air Conditioning Systems shipped from outside the United States in a continuous

and uninterrupted flow of interstate and foreign trade and commerce. In addition, payments for Air Conditioning Systems 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 Air Conditioning Systems 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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