UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA	Criminal No: 1:14CR-104
v.	Filed:
AKIRA WADA,	Violation: 15 U.S.C. § 1
Defendant.	Judge: J. BLACK

INDICTMENT

The Grand Jury charges that:

The Defendant and Co-Conspirators

At all times relevant to this Indictment:

1. The defendant, AKIRA WADA ("WADA"), was a resident and citizen of Japan. WADA was employed by Showa Corporation ("Showa") as a Manager and then General Manager of Sales Department 1 from at least as early as 2003 until at least June 2009. In 2013 WADA became a Director and Operating Officer of Showa.

2. Showa was a Japanese company with its principal place of business in Saitama, Japan. Showa was engaged in the business of manufacturing and selling pinion-assist type electric powered steering assemblies to Honda Motor Co., Ltd. and certain of its subsidiaries in the United States and elsewhere ("Honda").

3. American Showa Incorporated ("ASI"), a subsidiary of Showa, is located in Sunbury, Ohio.

4. The Sales Department 1 at Showa was responsible for sales of pinion-assist type electric powered steering assemblies to Honda.

5. Various corporations and individuals, located in the United States and Japan, not made defendants in this Indictment, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

6. 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, 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

7. WADA and his co-conspirators supplied pinion-assist type electric powered steering assemblies to Honda for installation in vehicles manufactured and/or sold in the United States and elsewhere.

8. WADA and his co-conspirators manufactured and sold pinion-assist type electric powered steering assemblies in the United States and elsewhere for installation in vehicles manufactured and sold in the United States.

9. Pinion-assist type electric powered steering assemblies provide power to the steering gear pinion shaft from electric motors to assist the driver to more easily steer the automobile. Pinion-assist type electric powered steering assemblies include an electronic control unit and link the steering wheel to the tires but do not include the column, intermediate shaft, steering wheel or tires.

10. Honda typically procures parts, including pinion-assist type electric powered steering assemblies, for each automobile model through a multistage sourcing process that typically begins more than three years prior to the start of production of that model. During the sourcing process, Honda determines which automotive parts suppliers will be selected to supply

the parts for a specific model. At various stages during the sourcing process, Honda requests automotive parts suppliers to submit price quotations. Honda awards the business to the selected automotive parts suppliers for the lifespan of the model, which is usually four to six years. Honda procures parts for U.S.-manufactured vehicles in the United States and elsewhere.

Conspiracy to Restrain Trade

11. From at least as early as 2007 and continuing until as late as September 2012, the exact dates being unknown to the Grand Jury, in the Southern District of Ohio and elsewhere, WADA and his co-conspirators participated in a combination and conspiracy to suppress and eliminate competition in the automotive parts industry by agreeing to allocate markets and to fix, stabilize, and maintain the prices of pinion-assist type electric powered steering assemblies sold to Honda in the United States and elsewhere. The combination and conspiracy engaged in by WADA and his co-conspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1). This combination and conspiracy involved interstate and import trade and commerce.

12. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among WADA and his co-conspirators, the substantial terms of which were to allocate markets and to fix, stabilize, and maintain the prices of, pinion-assist type electric powered steering assemblies sold to Honda in the United States and elsewhere.

Manner and Means of the Conspiracy

13. For the purpose of forming and carrying out the charged combination and conspiracy, WADA and his co-conspirators, located in the United States and Japan, did those things that they combined and conspired to do, including, among other things:

(a) participating in, and directing, authorizing, or consenting to the participation of subordinate employees in, meetings, conversations, and communications to discuss the market allocation scheme whereby the conspirators sought to maintain their current share of Honda business in the United States and elsewhere;

(b) participating in, and directing, authorizing, or consenting to the participation of subordinate employees in, meetings, conversations, and communications to discuss price quotations to be submitted to Honda in the United States and elsewhere;

(c) agreeing, and directing, authorizing, or consenting to subordinate employees agreeing, during those meetings, conversations, and communications on the market share allocation and price quotations to be submitted to Honda in the United States and elsewhere;

(d) exchanging, and directing, authorizing, or consenting to subordinate employees exchanging, information on price quotations, and price adjustments to be submitted to Honda in the United States and elsewhere, in order to effectuate the agreements;

(e) submitting, and directing, authorizing, or consenting to subordinate employees submitting, price quotations to Honda in the United States and elsewhere in accordance with the agreements reached;

(f) selling pinion-assist type electric powered steering assemblies to Honda in the United States and elsewhere at collusive and noncompetitive prices;

(g) accepting payment for pinion-assist type electric powered steering assemblies sold to Honda in the United States and elsewhere at collusive and noncompetitive prices;

(h) engaging in, and directing, authorizing, or consenting to subordinate employees engaging in, meetings, conversations, and communications for the purpose of monitoring adherence to the agreed-upon market allocation 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

14. During the period covered by this Indictment, WADA and his co-conspirators sold to Honda located in Ohio, and other States, in the United States substantial quantities of pinion-assist type electric powered steering assemblies shipped from outside the United States and from other states in a continuous and uninterrupted flow of interstate and import trade and commerce. In addition, substantial quantities of equipment and supplies necessary to the manufacture and sale of pinion-assist type electric powered steering assemblies sold by WADA and his co-conspirators, as well as substantial payments for pinion-assist type electric powered steering assemblies sold by WADA and his co-conspirators, traveled in interstate and import trade and commerce. The business activities of WADA and his co-conspirators in connection with the manufacture and sale of pinion-assist type electric powered steering assemblies that were the subject of the charged conspiracy were within the flow of, and substantially affected, interstate and import trade and commerce.

Jurisdiction and Venue

15. The combination and conspiracy charged in this Indictment was carried out within

the Southern District of Ohio, at least in part, and continued within the five years preceding the filing of this Indictment.

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

Dated:

A TRUE BILL



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