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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

16 JUN 15 AM 11:40

U.S. DISTRICT COURT
SOUTHERN DIST OHIO
WEST DIV CINCINNATI

UNITED STATES OF AMERICA

v.

TOKAI KOGYO CO., LTD.,
GREEN TOKAI CO., LTD., and
AKITADA TAZUMI,

Defendants.

Criminal No.:

1:16CR-63

Filed:

Violation: 15 U.S.C. § 1

Judge: **J. BLACK**

INDICTMENT

The Grand Jury charges:

DEFENDANTS AND CO-CONSPIRATORS

At times relevant to this Indictment:

1. Defendant TOKAI KOGYO CO., LTD., was a corporation organized and existing under the laws of Japan, with its principal place of business in Obu, Japan.
2. Defendant GREEN TOKAI CO., LTD., was a wholly-owned subsidiary of defendant TOKAI KOGYO CO., LTD., and was a corporation organized and existing under the laws of Delaware, with its principal place of business in Brookville, Ohio.
3. Defendant TOKAI KOGYO CO., LTD., and defendant GREEN TOKAI CO., LTD., were engaged in the business of manufacturing and selling automotive body sealing products to Honda Motor Company, Ltd., and certain of its subsidiaries and affiliates (collectively, "Honda") for installation in vehicles manufactured and sold in the United States and elsewhere. Honda's North American purchasing department was located in Raymond, Ohio, and was responsible for purchasing automotive body sealing products to be installed into Honda

vehicles.

4. Defendant AKITADA TAZUMI was a citizen and resident of Japan. TAZUMI was employed as Assistant General Manager by defendant TOKAI KOGYO CO., LTD., from at least as early as March 2008 until at least August 2011.

5. Other corporations and individuals, not made defendants in this Indictment, participated as co-conspirators in the offense charged in this Indictment and performed acts and made statements in furtherance of it.

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, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

BACKGROUND

7. Defendants TOKAI KOGYO, CO., LTD., GREEN TOKAI CO., LTD., and their co-conspirators supplied automotive body sealing products to Honda for installation in vehicles manufactured and sold in the United States and elsewhere. Automotive body sealing products consist of body-side opening seals, door-side weather-stripping, glass-run channels, trunk lids, and other smaller seals. Automotive body sealing products are installed into automobiles to keep the interior dry from rain and free from wind and exterior noises.

8. GREEN TOKAI CO., LTD., and other co-conspirators manufactured and sold automotive body sealing products in the United States (a) for installation in vehicles manufactured and sold in the United States; (b) for installation in vehicles manufactured in Canada, some of which were then delivered to and sold in the United States; and (c) for

installation in vehicles manufactured in Mexico, some of which were then delivered to and sold in the United States.

9. When purchasing automotive body sealing products, Honda typically issued Requests for Quotation (“RFQs”) to suppliers on a model-by-model basis for model-specific parts. Automotive body sealing product suppliers submitted quotations, or bids, to Honda in response to the RFQs, and Honda typically awarded the business to the selected supplier for the lifespan of the model, usually five to six years. Typically, the bidding process began approximately three years prior to the start of production of the model that was the subject of the RFQ.

DESCRIPTION OF THE OFFENSE

10. Beginning at least as early as March 2008 and continuing until at least August 2011, the exact dates being unknown to the Grand Jury, in the Southern District of Ohio and elsewhere,

TOKAI KOGYO, CO., LTD.,
GREEN TOKAI CO., LTD, and
AKITADA TAZUMI,

defendants herein, along with others known and unknown to the Grand Jury, knowingly entered into and engaged in a combination and 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 Antitrust Act (15 U.S.C. § 1).

11. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendants and their co-conspirators, the substantial terms of which were to allocate sales of, to rig bids for, and to fix, stabilize, and

maintain prices of automotive body sealing products sold to Honda in the United States and elsewhere.

MEANS AND METHODS OF THE CONSPIRACY


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

- (a) participated in meetings, conversations, and communications in the United States and elsewhere to discuss the allocation of sales of automotive body sealing products to Honda, and the bids and price quotations that they would submit to Honda in the United States and elsewhere;
- (b) agreed during those meetings, conversations, and communications on prices, bids, and price adjustments for automotive body sealing products sold to Honda in the United States and elsewhere, and exchanged information about those prices, bids, and price adjustments;
- (c) agreed during those meetings, conversations, and communications to allocate sales of automotive body sealing products sold to Honda in the United States and elsewhere;
- (d) submitted, and declined to submit, bids, price quotations, and price adjustments to Honda in the United States and elsewhere in accordance with the conspirators' agreements;
- (e) directed and authorized submitting, and declining to submit, bids, price quotations, and price adjustments to Honda in the United States and elsewhere in accordance with the conspirators' agreements,

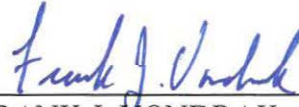
- (f) sold automotive body sealing products to Honda in the United States and elsewhere at collusive and noncompetitive prices;
- (g) accepted payment for automotive body sealing products sold to Honda in the United States and elsewhere at collusive and noncompetitive prices;
and
- (h) employed measures to conceal their conduct, including, but not limited to, using code when communicating with co-conspirators in e-mails and instructing co-conspirators to delete documents referencing coordination with competitors.

TRADE AND COMMERCE

13. During the period covered by this Indictment, the defendants and their co-conspirators manufactured automotive body sealing products in the United States and elsewhere and sold them in the United States and elsewhere. During the period covered by this Indictment, the defendants and their co-conspirators sold substantial quantities of automotive body sealing products manufactured in the United States and shipped across state lines, all in a continuous and uninterrupted flow of interstate trade and commerce. During the period covered by this Indictment, substantial quantities of equipment and supplies necessary to the production and distribution of automotive body sealing products by defendants TOKAI KOGYO, CO., LTD., GREEN TOKAI CO, LTD., and co-conspirators, as well as payments for automotive body sealing products sold by TOKAI KOGYO, CO., LTD., GREEN TOKAI CO, LTD., and co-conspirators, traveled in interstate trade and commerce. During the period covered by this Indictment, the business activities of the defendants and their co-conspirators in connection with



BRENT SNYDER
Deputy Assistant Attorney General



FRANK J. VONDRAK
Chief, Chicago Office



MARVIN N. PRICE, JR.
Director of Criminal Enforcement
Antitrust Division
U.S. Department of Justice



L. HEIDI MANSCHRECK, NY Bar No. 4537585
MATTHEW J. McCROBIE, IL Bar No. 6309644
Trial Attorneys
ANDRE M. GEVEROLA, IL Bar No. 6281457
Assistant Chief
U.S. Department of Justice
Antitrust Division
Chicago Office
209 S. LaSalle St., Suite 600
Chicago, IL 60604
Tel.: (312) 984-7200

the production and sale of automotive body sealing products that are the subject of this Indictment were within the flow of, and substantially affected, interstate trade and commerce.

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

A TRUE BILL

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FOREPERSON

Dated: 6/15/16