

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

**UNITED STATES OF AMERICA**

vs.

**KOICHI TANO,**

Defendant.

**Filed: [4/24/96]**

**Criminal No.: 96-CR-40011-NMG**

**Violation:  
15 U.S.C. § 1**

**Judge: Gorton**

INDICTMENT

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

The Grand Jury charges:

1. KOICHI TANO is hereby indicted and made a defendant on the charge stated below.

DESCRIPTION OF THE OFFENSE

2. Beginning at least as early as July 1991 and continuing at least until February 1992, the exact dates being unknown to the Grand Jury, the defendant and co-conspirators entered into and engaged in a combination and conspiracy to increase prices of fax paper sold in North America. The combination and conspiracy unreasonably restrained interstate trade and commerce in violation of Section One of the Sherman Act (15 U.S.C. § 1).

3. The charged conspiracy consisted of a continuing agreement, understanding and concert of action among the defendant and co-conspirators, the substantial term of which was to increase prices of fax paper sold in North America.

#### DEFENDANT

4. KOICHI TANO is a citizen and resident of Japan. During the period covered by this indictment, he was the Manager of Kanzaki Paper Manufacturing Co., Ltd.'s ("KSK") Export Sales Department, in charge of importing fax paper into North America.

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

6. Whenever this Indictment refers to any act, deed, or transaction of any corporation, it 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.

#### MEANS AND METHODS OF THE CONSPIRACY

7. For the purpose of forming and carrying out the charged combination and

conspiracy, the defendant and co-conspirators did the following things, among others:

(a) on July 29, 1991, TANO and his co-conspirators met in Kanzaki Specialty Papers, Inc.'s ("KSP") offices in Tarrytown, New York;

(b) at this meeting, TANO and his co-conspirators agreed to increase prices for fax paper to be sold in North America;

(c) in or about August 1991, announced price increases to fax paper customers in North America; and

(d) from in or about September 1991 until at least February 1992, charged higher prices to fax paper customers in North America.

#### TRADE AND COMMERCE

8. Fax paper is a type of specialty paper with a chemical coating that allows it to produce an image by a transfer of thermal energy from a print head. Fax paper manufacturers produce the paper in bulk rolls, which are commonly referred to as jumbo rolls. Jumbo rolls are approximately 40 to 50 inches in width and weigh up to 2,000 pounds. Converters, the primary customers of fax paper, buy fax paper and cut the jumbo rolls down into smaller finished rolls that are suitable for use in fax paper machines, certain medical printing equipment, and other uses. In 1991, total sales of fax paper in North America totalled approximately \$100 million.

9. During the period covered by this Indictment, the defendant and co-conspirators

manufactured fax paper and sold it throughout North America. The defendant and co-conspirators either manufactured fax paper in the United States or Japan. Fax paper manufactured in the United States was sold directly to customers in the U.S. Fax paper manufactured in Japan was imported through unaffiliated Japanese trading houses and their U.S. subsidiaries. The trading houses buy, import and sell the fax paper to customers throughout North America.

10. During the period covered by this Indictment, the defendant and co-conspirators shipped, or caused to be shipped, in a continuous and uninterrupted flow of foreign and interstate commerce, substantial quantities of fax paper manufactured in Japan into the United States for sale to customers, and substantial quantities of fax paper manufactured in Massachusetts into other states for sale to customers.

11. The business activities of the defendant and co-conspirators that are the subject of this Indictment were within the flow of, and substantially affected, foreign and interstate commerce.

#### JURISDICTION AND VENUE

12. The conspiracy charged in this Indictment was carried out, in part, within the District of Massachusetts and within the five years preceding the return of this Indictment.

ALL IN VIOLATION OF TITLE 15 U.S.C. SECTION 1.

A TRUE BILL

Dated:

\_\_\_\_\_/s/\_\_\_\_\_  
FOREPERSON

\_\_\_\_\_/s/\_\_\_\_\_  
Anne K. Bingaman  
Assistant Attorney General

\_\_\_\_\_/s/\_\_\_\_\_  
Lisa M. Phelan

\_\_\_\_\_/s/\_\_\_\_\_  
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\_\_\_\_\_/s/\_\_\_\_\_  
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