

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA

v.

HIROSHI WATANABE,

Defendant.

Case:2:13-cr-20381

Judge: Borman, Paul D.

MJ: Majzoub, Mona K.

Filed: 05-21-2013 At 09:13 AM

INFO USA V HIROSHI WATANABE (LG)

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. During the period covered by this Information, Hiroshi Watanabe (“Defendant”) was employed by DENSO Corporation (“DENSO”), an entity organized and existing under the laws of Japan, and with its principal place of business in Kariya, Japan. During the period covered by this Information, Defendant was employed by DENSO as a Group Leader in the Toyota Sales Division.

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 his co-conspirators supplied heater control panels (“HCPs”) to Toyota Motor Corporation and Toyota Motor Engineering & Manufacturing North America, Inc. (collectively “Toyota”) for installation in vehicles manufactured and/or sold in the United States and elsewhere.

5. During the period covered by this Information, DENSO and its co-conspirators manufactured HCPs (a) in the United States for installation in vehicles manufactured and sold in the United States, (b) in Japan for export to the United States and installation in vehicles manufactured and sold in the United States, and (c) in Japan for installation in vehicles manufactured in Japan for export to and sale in the United States.

6. HCPs are located in the center console of an automobile and control the temperature of the interior environment of a vehicle. When purchasing HCPs, Toyota issues RFQs to automotive parts suppliers on a model-by-model basis for model specific parts. Automotive parts suppliers submit quotations, or bids, to Toyota in response to RFQs, and Toyota awards 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. Toyota procures parts for U.S.-manufactured vehicles both in Japan and the United States.

Conspiracy to Restrain Trade

7. From at least as early as June 2008, and continuing until at least February 2010, the exact dates being unknown to the United States, Defendant and his co-conspirators

participated in a combination and conspiracy to suppress and eliminate competition in the automotive parts industry by agreeing to rig bids for, and to fix, stabilize, and maintain the prices of, HCPs sold to Toyota in the United States and elsewhere. The combination and conspiracy engaged in by Defendant and his 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.

8. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendant and his co-conspirators, the substantial terms of which were to rig bids for, and to fix, stabilize, and maintain the prices of, HCPs sold to Toyota in the United States and elsewhere.

Manner and Means of the Conspiracy

9. For purposes of forming and carrying out the charged combination and conspiracy, Defendant and his coconspirators 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 Japan to discuss the bids and price quotations to be submitted to Toyota in the United States and elsewhere;
- b. agreeing, during those meetings, conversations, and communications, on bids and price quotations to be submitted to Toyota in the United States and elsewhere;
- c. agreeing, during those meetings, conversations, and communications, to allocate the supply of HCPs sold to Toyota in the United States and elsewhere on a model-by-model basis;
- d. submitting bids, price quotations, and price adjustments to Toyota in the United States and elsewhere in accordance with the agreements reached;

- e. selling HCPs to Toyota in the United States and elsewhere at collusive and noncompetitive prices;
- f. accepting payment for HCPs sold to Toyota in the United States and elsewhere at collusive and noncompetitive prices;
- g. engaging in meetings, conversations, and communications in the United States and elsewhere for the purpose of monitoring and enforcing adherence to the agreed-upon bid-rigging and price-fixing scheme; and
- h. employing measures to keep their conduct secret, including but not limited to, using code names and destroying documents relating to the conspiracy.

Trade and Commerce

10. During the period covered by this Information, DENSO and its co-conspirators sold to Toyota, located in various states in the United States, substantial quantities of HCPs shipped from outside the United States and from other states in a continuous and uninterrupted flow of interstate and foreign trade and commerce. In addition, substantial quantities of equipment and supplies necessary for the production and distribution of HCPs by DENSO and its co-conspirators, as well as payments for HCPs sold by DENSO and its co-conspirators, traveled in interstate and foreign trade and commerce. The business activities of Defendant and his co-conspirators in connection with the production and sale of HCPs 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

11. The combination and conspiracy charged in this Information was carried out, at least in part, within 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: _____

s/ Scott D. Hammond
Scott D. Hammond
Acting Assistant Attorney General
Antitrust Division
United States Department of Justice

s/ Lisa M. Phelan
Lisa M. Phelan
Chief, National Criminal Enforcement Section
Antitrust Division
United States Department of Justice

s/ Marvin N. Price, Jr.
Marvin N. Price, Jr.
Director of Criminal Enforcement
Antitrust Division
United States Department of Justice

s/ Kathryn Hellings
Kathryn Hellings
Asst. Chief, National Criminal Enforcement Section
Antitrust Division
United States Department of Justice

s/ Eric M. Meiring
Eric M. Meiring
Megan Gerking
United States Department of Justice
National Criminal Enforcement Section
Antitrust Division
450 5th St. NW, Suite 11300
Washington, DC 20530-0001
(202) 598-2322