



Department of Justice

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G.S. ELECTECH AGREES TO PLEAD GUILTY TO PRICE FIXING ON AUTO PARTS INSTALLED IN U.S. CARS

Company Also Agrees to Pay \$2.75 Million Criminal Fine

WASHINGTON – Toyota City, Japan-based G.S. Electech Inc. has agreed to plead guilty and to pay a \$2.75 million criminal fine for its role in a conspiracy to fix the prices of auto parts used on antilock brake systems installed in U.S. cars, the Department of Justice announced today.

According to a one-count felony charge filed today in the U.S. District Court for the Eastern District of Michigan, in Detroit, G.S. Electech engaged in a conspiracy to rig bids and to fix the prices of speed sensor wire assemblies, which are installed on automobiles with an antilock brake system (ABS) and were sold to an automaker in the United States and elsewhere. According to the charge, G.S. Electech's involvement in the conspiracy lasted from at least as early as January 2003 until at least February 2010. According to the plea agreement, which is subject to court approval, G.S. Electech has agreed to pay a criminal fine and to cooperate with the department's ongoing investigation.

"The Antitrust Division continues to uncover and prosecute illegal conduct in its ongoing and active investigation into price fixing and bid rigging in the auto parts industry," said Acting Assistant Attorney General Sharis A. Pozen in charge of the Department of Justice's Antitrust Division. "Today's announcement demonstrates that the Antitrust Division, working with its law enforcement partners, will continue to pursue those who engage in anticompetitive behavior that harms American businesses and consumers.

Including G.S. Electech, eight executives and four companies have been charged and have agreed to plead guilty in the investigation thus far. Three of the companies have pleaded guilty and have been sentenced to pay criminal fines totaling more than \$748 million. Seven of the executives have pleaded guilty and have been sentenced to serve a total of more than 122 months in jail.

G.S. Electech manufactures, assembles and sells a variety of automotive electrical parts, including speed sensor wire assemblies. The speed sensor wire assemblies connect a sensor on each tire to the ABS and carry electrical signals from the sensors to the ABS to instruct it when to engage.

According to the charge, G.S. Electech and its co-conspirators carried out the conspiracy by, among other things, agreeing during meetings and discussions in Japan to coordinate bids submitted to, and price adjustments requested by, an automobile manufacturer. In court documents, G.S. Electech and its co-conspirators employed measures to keep their conduct secret, including using code names and instructing participants to destroy evidence of collusion.

G.S. Electech is charged with price fixing in violation of the Sherman Act, which carries a maximum fine of \$100 million for corporations. The maximum fine for the company may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charge is the result of an investigation being conducted by the Antitrust Division's National Criminal Enforcement Section and the FBI's Detroit Field Office with the assistance of the FBI headquarters' International Corruption Unit. Anyone with information concerning the focus of this investigation is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694, visit www.justice.gov/atr/contact/newcase.htm or call the FBI's Detroit Field Office at 313-965-2323.

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