



Department of Justice

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YAZAKI EXECUTIVE AGREES TO PLEAD GUILTY TO PRICE FIXING ON AUTOMOBILE PARTS INSTALLED IN U.S. CARS

Executive Agrees to Serve 14 Months in a U.S. Prison

WASHINGTON – An executive of Tokyo-based Yazaki Corporation has agreed to plead guilty for his role in a conspiracy to fix prices of instrument panel clusters, also known as meters, installed in cars sold in the United States and elsewhere, the Department of Justice announced today. He is the 11th executive to be charged in the government’s ongoing investigation into price fixing and bid rigging in the auto parts industry.

In a one-count felony charge filed today in the U.S. District Court for the Eastern District of Michigan in Detroit, Toshio Sudo, a Japanese national, was charged with engaging in a conspiracy to rig bids for, and to fix, stabilize and maintain the prices of instrument panel clusters sold to customers in the United States and elsewhere. According to the charge, Sudo’s involvement in the conspiracy lasted from at least as early as January 2003 until at least February 2009. The department said that Sudo and his co-conspirators carried out the conspiracy by agreeing, during meetings and conversations, to allocate the supply of instrument panel clusters and sold the parts at noncompetitive prices to automakers in the United States and elsewhere.

According to the plea agreement, which is subject to court approval, Sudo has agreed to serve 14 months in a U.S. prison, to pay a \$20,000 criminal fine and to cooperate with the department’s investigation.

Yazaki manufactures and sells a variety of automotive parts, including instrument panel clusters. Instrument panel clusters are the mounted array of instruments and gauges housed in front of the driver of an automobile. According to the charge, Sudo and his co-conspirators carried out the conspiracy by, among other things, agreeing during meetings and discussions to coordinate bids submitted to, and price adjustments requested by, automobile manufacturers.

“From using code names with one another, to meeting in remote or private locations, the conspirators employed a variety of measures to keep their illegal conduct secret,” said Scott D. Hammond, Deputy Assistant Attorney General of the Antitrust Division’s criminal enforcement program. “The division and its law enforcement partners will continue to do everything in our power to detect these cartels and bring them to justice.”

“The conspiracies to fix prices and rig bids in the automotive industry represent a serious crime against the United States. Car makers and car buyers pay the price for these illegal activities,” said Robert D. Foley III, Special Agent in Charge of the FBI’s Detroit Field Office. “The FBI is committed to vigorously pursuing and stopping those who commit these crimes.”

Including Sudo, seven companies and 11 executives have been charged in the department’s ongoing investigation into price fixing and bid rigging in the auto parts industry. Furukawa Electric Co. Ltd, DENSO Corp., Yazaki Corp., G.S. Electech Inc., Fujikura Ltd. and Autoliv Inc. pleaded guilty and were sentenced to pay a total of more than \$785 million in criminal fines. TRW Deutschland Holding GmbH has agreed to plead guilty. Additionally, seven of the individuals – Junichi Funo, Hirotsugu Nagata, Tetsuya Ukai, Tsuneaki Hanamura, Ryoki Kawai, Shigeru Ogawa and Hisamitsu Takada – have been sentenced to pay criminal fines and to serve jail sentences ranging from a year and a day to two years each. Makoto Hattori and Norihiro Imai have pleaded guilty and await sentencing. Kazuhiko Kashimoto is scheduled to plead guilty on Sept. 26, 2012.

Sudo is charged with price fixing in violation of the Sherman Act, which carries a maximum sentence for individuals of 10 years and a fine of \$1 million. The maximum fine for an individual 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 prosecution arose from an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the automotive parts industry, which is 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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