



# Department of Justice

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## **G.S. ELECTECH INC. EXECUTIVE PLEADS GUILTY TO BID RIGGING AND PRICE FIXING ON AUTOMOBILE PARTS INSTALLED IN U.S. CARS**

### *Executive Sentenced to Serve 13 Months in Jail*

WASHINGTON — An executive of Japanese auto parts maker G.S. Electech Inc. pleaded guilty and was sentenced today to serve 13 months in a U.S. prison for his role in an international conspiracy to rig bids and fix prices on auto parts used on antilock brake systems installed in U.S. cars, the Department of Justice announced.

Shingo Okuda, the former Engineering and Sales Division Manager for G.S. Electech, pleaded guilty today in the U.S. District Court for the Eastern District of Kentucky in Covington, to a one count charge of bid rigging and price fixing.

As part of his plea agreement, Okuda also agreed to cooperate with the department's ongoing investigation and to pay a \$20,000 criminal fine.

On Sept. 11, 2013, a federal grand jury in Covington, Kentucky, returned an indictment against Okuda, charging him with conspiring to rig bids and fix prices of speed sensor wire assemblies, which are installed in automobiles with an antilock brake system (ABS), sold to Toyota Motor Corp. and Toyota Motor Engineering and Manufacturing North America Inc., in the United States and elsewhere.

According to the indictment, Okuda and his co-conspirators carried out the conspiracy by, among other things, agreeing during meetings and discussions to coordinate bids and fix prices of automotive parts submitted to Toyota. The indictment charged Okuda with participating in the conspiracy beginning at least as early as January 2003 until at least February 2010.

"Today's guilty plea is a victory for consumers, who deserve to know that the essential parts used in their automobiles are not subject to anticompetitive agreements," said Brent Snyder, Deputy Assistant Attorney General for the Antitrust Division's criminal enforcement program. "The Antitrust Division remains committed to holding executives accountable for behavior that undermines the competitive marketplace."

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 wheel to the ABS to instruct it when to engage. On May 16, 2012, G.S. Electech pleaded guilty to the conspiracy and agreed to pay a \$2.75 million criminal fine.

Okuda is charged with price fixing in violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a \$1 million criminal fine for individuals. 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.

Including Okuda, 36 individuals have been charged in the department's ongoing investigation into price fixing and bid rigging in the auto parts industry. Okuda is the first individual in the investigation to plead guilty following an indictment. Additionally, 27 companies have pleaded guilty or agreed to plead guilty and have agreed to pay a total of nearly \$2.3 billion in fines.

Today's guilty plea 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 each of the Antitrust Division's criminal enforcement sections and the FBI. Today's guilty plea was brought by the Antitrust Division's Washington Criminal I Section, with the assistance of the FBI's Detroit Field Office, with the assistance of the FBI headquarters' International Corruption Unit. Anyone with information on price fixing, bid rigging and other anticompetitive conduct related to other products in the automotive parts industry should contact the Antitrust Division's Citizen Complaint Center at 1-888-647-3258, visit [www.justice.gov/atr/contact/newcase.html](http://www.justice.gov/atr/contact/newcase.html) or call the FBI's Detroit Field Office at 313-965-2323.

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