



Department of Justice

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OCEAN SHIPPING EXECUTIVE PLEADS GUILTY TO PRICE FIXING ON OCEAN SHIPPING SERVICES FOR CARS AND TRUCKS

Executive Agrees to Serve 18 Months in U.S. Prison

WASHINGTON – An executive of Japan-based Kawasaki Kisen Kaisha Ltd. (K-Line) pleaded guilty today and was sentenced to 18 months in a U.S. prison for his involvement in a conspiracy to fix prices, allocate customers and rig bids of international ocean shipping services for roll-on, roll-off cargo, such as cars and trucks, to and from the United States and elsewhere, the Department of Justice announced today.

According to the one-count felony charge filed today in U.S. District Court for the District of Maryland in Baltimore, Hiroshige Tanioka, who was at various times an assistant manager, team leader and general manager in K-Line's car carrier division, conspired to allocate customers and routes, rig bids and fix prices for the sale of international ocean shipments of roll-on, roll-off cargo to and from the United States and elsewhere, including the Port of Baltimore. Tanioka participated in the conspiracy from at least as early as April 1998 until at least April 2012.

Roll-on, roll-off cargo is non-containerized cargo that can be both rolled onto and off of an ocean-going vessel. Examples of this cargo include new and used cars and trucks and construction and agricultural equipment.

"For more than a decade this conspiracy has raised the cost of importing cars and trucks into the United States," said Assistant Attorney General Bill Baer for the Department of Justice's Antitrust Division. "Today's sentencing is a first step in our continuing efforts to ensure that the executives responsible for this misconduct are held accountable."

Today's sentence was the first to be imposed against an individual in the division's ocean shipping investigation. Previously, three corporations have agreed to plead guilty and to pay criminal fines totaling more than \$136 million, including Tanioka's employer K-Line, which was sentenced to pay a criminal fine of \$67.7 million in November 2014.

Pursuant to the plea agreement, which was accepted by the court today, Tanioka was sentenced to serve an 18-month prison term and pay a \$20,000 criminal fine for his participation

in the conspiracy. In addition, Tanioka has agreed to assist the department in its ongoing investigation into the ocean shipping industry.

Tanioka was charged with a violation of the Sherman Act, which carries a maximum sentence of 10 years in prison and a \$1 million criminal fine for an individual. The maximum fine 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 plea agreement is the result of an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the international roll-on, roll-off ocean shipping industry, which is being conducted by the Antitrust Division's Washington Criminal I Section and the FBI's Baltimore Field Office, along with assistance from the U.S. Customs and Border Protection Office of Internal Affairs, Washington Field Office/Special Investigations Unit. Anyone with information in connection with this investigation is urged to call the Antitrust Division's Washington Criminal I Section at 202-307-6694, visit www.justice.gov/atr/contact/newcase.html or call the FBI's Baltimore Field Office at 410-265-8080.

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