



Department of Justice

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JAPANESE AUTOMOBILE PARTS MANUFACTURER AGREES TO PLEAD GUILTY TO PRICE FIXING AND OBSTRUCTION OF JUSTICE

Company Agrees to Pay \$17.7 Million Criminal Fine

WASHINGTON — Nagoya, Japan-based Tokai Rika Co. Ltd., has agreed to plead guilty and to pay a \$17.7 million criminal fine for its role in a conspiracy to fix prices of heater control panels (HCPs) installed in cars sold in the United States and elsewhere, the Department of Justice announced today. Tokai Rika has also agreed to plead guilty to a charge of obstruction of justice related to the investigation of the antitrust violation.

According to a two-count felony charge filed today in U.S. District Court for the Eastern District of Michigan in Detroit, Tokai Rika engaged in a conspiracy, by agreeing during meetings and conversations, to rig bids for, and to fix, stabilize and maintain the prices of HCPs sold to Toyota in the United States and elsewhere, on a model-by-model basis. According to the court document, Tokai Rika and its co-conspirators carried out the conspiracy from at least as early as September 2003 until at least February 2010.

Tokai Rika manufactures and sells a variety of automotive parts, including HCPs. HCPs are located in the center console of an automobile and control the temperature of the interior environment of a vehicle.

“The conspirators used code names and chose meeting places and times to avoid detection,” said Scott D. Hammond, Deputy Assistant Attorney General of the Antitrust Division’s criminal enforcement program. “They knew their actions would harm American consumers, and attempted to cover it up when caught. The division will continue to hold accountable companies who engage in anticompetitive conduct and who obstruct law enforcement.”

According to the charge, in or about February 2010, after the company and its executives and employees became aware that the FBI had executed a search warrant on Tokai Rika’s U.S. subsidiary, a company executive directed employees to delete electronic data and destroy paper documents likely to contain evidence of antitrust crimes in the United States and elsewhere. The department said that as a result, electronic data was deleted and paper documents were destroyed, and some of the deleted electronic data and destroyed paper documents were non-recoverable.

“Those who engage in price fixing and obstruction of legal process will face severe consequences for their illegal acts,” said Robert D. Foley III, Special Agent in Charge of the FBI’s Detroit Division. “The FBI is committed to stopping such criminal activity.”

As part of the plea agreement, which will be subject to court approval, Tokai Rika has agreed to cooperate with the department’s ongoing investigation.

Including Tokai Rika, nine companies and 11 executives have pleaded guilty or agreed to plead guilty 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., Autoliv Inc. and TRW Deutschland Holding GmbH pleaded guilty and were sentenced to pay a total of more than \$790 million in criminal fines. Nippon Seiki Co. Ltd., has agreed to plead guilty and awaits arraignment and sentencing. Additionally, Junichi Funo, Hirotsugu Nagata, Tetsuya Ukai, Tsuneaki Hanamura, Ryoki Kawai, Shigeru Ogawa, Hisamitsu Takada, Norihiro Imai, Kazuhiko Kashimoto, Toshio Sudo and Makoto Hattori have pleaded guilty and been sentenced to pay criminal fines and to serve jail sentences ranging from a year and a day to two years each.

Tokai Rika is charged with price fixing in violation of the Sherman Act, which carries a maximum penalty of a \$100 million criminal fine 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. The maximum fine for a company found guilty of obstruction of justice is \$500,000.

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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