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Two Japanese Auto Parts Companies, U.S. Subsidiaries, and Five Executives Indicted for Rigging Automotive Parts Bids

More Than 100 Charged in Wide-Spread Auto Parts Investigation

A federal grand jury in the U.S. District Court for the Southern District of Ohio returned two indictments charging Japanese automotive parts companies, their U.S. subsidiaries, and a total of five executives for their alleged participation in international conspiracies to eliminate competition in the sale of automotive parts sold in the United States and elsewhere, the Justice Department announced today.

One of the indictments, filed today in Cincinnati, charges Tokai Kogyo Co. Ltd., its wholly-owned U.S. subsidiary, Green Tokai Co. Ltd., and Akitada Tazumi with conspiring to rig bids for and fix the prices of automotive body sealing products sold to Honda Motor Company Ltd. and certain of its subsidiaries and affiliates for installation in vehicles manufactured and sold in the United States and elsewhere. Automotive body sealing products consist of body-side opening seals, door-side weather-stripping, glass-run channels, trunk lids and other smaller seals, which are installed into automobiles to keep the interior dry from rain and free from wind and exterior noises.

In a separate indictment, also filed in Cincinnati, Maruyasu Industries Co. Ltd., its wholly-owned U.S. subsidiary, Curtis-Maruyasu America Inc. (CMA), Tadao Hirade, Satoru Murai, Kazunori Kobayashi and Yoshihiro Shigematsu were charged with conspiring to fix prices, allocate customers, and rig bids for automotive steel tubes sold in the United States and elsewhere. Automotive steel tubes are used in fuel distribution, braking, and other automotive systems and are sometimes divided into two categories – chassis tubes and engine parts. As their names suggest, chassis tubes, such as brake and fuel tubes, tend to be located in the body of a vehicle while engine parts, such as fuel injection rails, oil level tubes, and oil strainer tubes, are associated with the function of a vehicle's engine.

"These defendants, as is their right, have chosen to put the government to its burden of proof, and we accept that challenge without hesitation," said Deputy Assistant Attorney General Brent Snyder of the Justice Department's Antitrust Division. "We will not be deterred from holding those involved – both corporations and individuals – accountable for their actions, and we welcome the opportunity to prove our cases to a jury."

"The FBI is committed to aggressively investigating individuals who engage in criminal conduct that corrupts the global marketplace," said Special Agent in Charge Howard Marshal of the FBI's Louisville Division. "We will continue our work with the Department of Justice Antitrust Division to uncover schemes aimed at creating an unfair competitive advantage by way of price fixing, bid rigging or other illegal means."

"The Department of Commerce Office of Inspector General is dedicated to working in conjunction with the DOJ Antitrust Division in protecting the U.S. economy from the type of criminal activity revealed in this case," said Special Agent in Charge Duane Townsend of the Department of Commerce's Office of Inspector General. "The charges today represent our diligent cooperative efforts to identify such activity and seek prosecution, whether committed by domestic or international sources, and to deter future attempts to damage our economy through criminal enterprise."

According to the indictment charging Tokai Kogyo, Green Tokai, and Tazumi, the defendants, along with their co-conspirators, participated in meetings and conversations to discuss the allocation of sales of automotive body

sealing products, and the bids and price quotations that they would submit to Honda. The indictment charges that the conspirators agreed on, and exchanged information about, bids, price quotations, and price adjustments to be submitted to Honda, and agreed to allocate sales of automotive body sealing products sold to Honda. The conspirators concealed their conduct by using code in e-mails and instructing e-mail recipients to delete e-mails referencing coordination with competitors, according to the charge.

Tokai Kogyo, Green Tokai, and Tazumi allegedly participated in the automotive body sealing products conspiracy from at least as early as March 2008 until at least August 2011. During this period, Tazumi served as Assistant General Manager at Tokai Kogyo, an Obu, Japan-based company that manufactured and sold automotive body sealing products.

According to the indictment charging Maruyasu Industries, CMA, Hirade, Murai, Kobayashi and Shigematsu, the defendants, along with their co-conspirators, participated in and directed subordinate employees to participate in meetings conversations, and communications in which they agreed to customer allocations as well as bids, prices and price adjustments to be submitted to customers in the United States and elsewhere. The indictment also alleges that the defendants and their conspirators employed measures to conceal their conduct, including meeting surreptitiously and adopting means and methods of communication designed to avoid detection.

Maruyasu Industries, CMA, Hirade, Murai, Kobayashi and Shigematsu allegedly participated in the automotive steel tubes conspiracy from at least as early as December 2003 until at least as late as July 9, 2011. During this period, Hirade, Murai, Kobayashi and Shigematsu served as sales executives at Maruyasu Industries, headquartered in Aichi Prefecture in Japan. Additionally, Kobayashi and Shigematsu each served as sales coordinators at Kentucky-based CMA for several years during the conspiracy.

The charges contained in these indictments are allegations and not evidence of guilt. The defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

The companies charged today are the first companies to be indicted in the 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 criminal enforcement sections and the FBI. A total of 64 individuals and 44 companies have been charged and have agreed to pay more than \$2.7 billion in criminal fines. These indictments were brought by the Antitrust Division's Chicago Office, the FBI's Louisville Field Office, Covington Resident Agency, and the Department of Commerce's Denver Field Office, with the assistance of the FBI's International Corruption Unit, the FBI's Cincinnati Field Office, and the U.S. Attorney's Office of the Southern District of Ohio. Anyone with information about anticompetitive conduct in the automotive parts industry should contact the Antitrust Division's Citizen Complaint Center at 888-647-3258, visit www.justice.gov/atr/contact/newcase.html or the FBI's Louisville Field Office at 502-263-6000.

[Tokai Kogyo et al. Indictment](#)

[Maruyasu Indictment](#)

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