

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Criminal No.:

v.

Filed:

RYOJI KAWAI,

Violation: 15 U.S.C. § 1

Defendant.

INFORMATION

**CONSPIRACY TO RESTRAIN TRADE
(15 U.S.C. § 1)**

THE UNITED STATES, ACTING THROUGH ITS ATTORNEYS, CHARGES:

Defendant and Co-Conspirators

1. During the period covered by this Information, Ryoji Kawai ("Defendant") was employed by Yazaki Corporation ("Yazaki"), a corporation organized and existing under the laws of Japan, and with its principal place of business in Tokyo, Japan. During the period covered by this Information, Defendant was employed as Director of Toyota Sales of Yazaki North America, a subsidiary of Yazaki in the United States, in Lexington, Kentucky, from January 2000 to October 2004 and as Vice Division Head of the Toyota Business Unit in Japan from October 2004 until at least February 2010.

2. Various corporations and individuals, not made defendants in this Information, participated as co-conspirators in the offense charged in this Information and performed acts and made statements in furtherance of it.

3. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction

by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

Background of the Offense

4. During the period covered by this Information, Defendant and his co-conspirators supplied automotive wire harnesses and related products to certain automobile manufacturers for installation in vehicles manufactured and/or sold in the United States and elsewhere.

5. During the period covered by this Information, Yazaki and its co-conspirators manufactured automotive wire harnesses and related products (a) in the United States for installation in vehicles manufactured and sold in the United States, (b) in Japan for export to the United States and installation in vehicles manufactured and sold in the United States, and (c) in Japan for installation in vehicles manufactured in Japan for export to and sale in the United States.

6. Automotive wire harnesses are automotive electrical distribution systems used to direct and control electronic components, wiring, and circuit boards. The following are defined as “related products” for the purposes of this Information: automotive electrical wiring, lead wire assemblies, cable bond, automotive wiring connectors, automotive wiring terminals, electronic control units, fuse boxes, relay boxes, and junction blocks. When purchasing automotive wire harnesses and related products, automobile manufacturers issue Requests for Quotation (“RFQs”) to automotive parts suppliers on a model-by-model basis for model specific parts. Automotive parts suppliers submit quotations, or bids, to the automobile manufacturers in response to RFQs, and the automobile manufacturers award the business to the selected automotive parts supplier for the lifespan of the model, which is usually four to six years. Typically, the bidding process for a particular model begins approximately three years prior to

the start of production. Japanese automobile manufacturers procure parts for U.S.-manufactured vehicles both in Japan and the United States.

Conspiracy to Restrain Trade

7. From at least as early as January 2000 and continuing until at least February 2010, the exact dates being unknown to the United States, Defendant and his co-conspirators participated in a combination and conspiracy to suppress and eliminate competition in the automotive parts industry by agreeing to rig bids for, and to fix, stabilize, and maintain the prices of, automotive wire harnesses and related products sold to certain automobile manufacturers in the United States and elsewhere. The combination and conspiracy engaged in by Defendant and his co-conspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of the Sherman Antitrust Act, 15 U.S.C. § 1.

8. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendant and his co-conspirators, the substantial terms of which were to rig bids for, and to fix, stabilize, and maintain the prices of, automotive wire harnesses and related products sold to certain automobile manufacturers in the United States and elsewhere.

Manner and Means of the Conspiracy

9. For purposes of forming and carrying out the charged combination and conspiracy, Defendant and his co-conspirators did those things that they combined and conspired to do, including, among other things:

- a. participating in meetings, conversations, and communications in the United States and Japan to discuss the bids and price quotations to be submitted to certain automobile manufacturers in the United States and elsewhere;

b. agreeing, during those meetings, conversations, and communications, on bids and price quotations to be submitted to certain automobile manufacturers in the United States and elsewhere;

c. agreeing, during those meetings, conversations, and communications, to allocate the supply of automotive wire harnesses and related products sold to certain automobile manufacturers in the United States and elsewhere on a model-by-model basis;

d. agreeing, during those meetings, conversations, and communications, to coordinate price adjustments requested by certain automobile manufacturers in the United States and elsewhere;

e. submitting bids, price quotations, and price adjustments to certain automobile manufacturers in the United States and elsewhere in accordance with the agreements reached;

f. selling automotive wire harnesses and related products to certain automobile manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

g. accepting payment for automotive wire harnesses and related products sold to certain automobile manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

h. engaging in meetings, conversations, and communications in the United States and elsewhere for the purpose of monitoring and enforcing adherence to the agreed-upon bid-rigging and price-fixing scheme; and

i. employing measures to keep their conduct secret, including but not limited to using code names and meeting at private residences or remote locations.

Trade and Commerce


10. During the period covered by this Information, Yazaki and its co-conspirators sold to certain automobile manufacturers located in various states in the United States substantial quantities of automotive wire harnesses and related products shipped from outside the United States and from other states in a continuous and uninterrupted flow of interstate and foreign trade and commerce. In addition, substantial quantities of equipment and supplies necessary to the production and distribution of automotive wire harnesses and related products sold by Yazaki and its co-conspirators, as well as payments for automotive wire harnesses and related products sold by Yazaki and its co-conspirators, traveled in interstate and foreign trade and commerce. The business activities of Defendant and his co-conspirators in connection with the production and sale of automotive wire harnesses and related products that were the subject of the charged conspiracy were within the flow of, and substantially affected, interstate and foreign trade and commerce.

Jurisdiction and Venue

11. The combination and conspiracy charged in this Information was carried out, at least in part, in the Eastern District of Michigan within the five years preceding the filing of this Information.

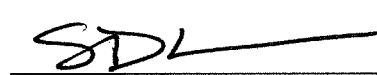
ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Dated: _____



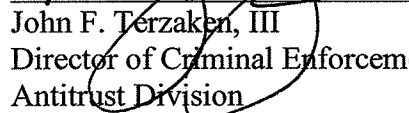
Sharis A. Pozen
Acting Assistant Attorney General
Antitrust Division
United States Department of Justice

Lisa M. Phelan
Chief, National Criminal Enforcement Section
Antitrust Division
United States Department of Justice



Scott D. Hammond
Deputy Assistant Attorney General
Antitrust Division
United States Department of Justice

Kathryn Hellings
Shane Cralle
Matthew Lunder
Trial Attorneys
National Criminal Enforcement Section
Antitrust Division
United States Department of Justice
450 5th St. NW, Suite 11300
Washington, DC 20530-0001
Tel: (202) 307-0934



John F. Terzaken, III
Director of Criminal Enforcement
Antitrust Division
United States Department of Justice