



# Department of Justice

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## **AUTOLIV INC. AND A YAZAKI CORP. EXECUTIVE AGREE TO PLEAD GUILTY TO PRICE FIXING ON AUTOMOBILE PARTS INSTALLED IN U.S. CARS**

### ***Company Agrees to Pay \$14.5 Million Criminal Fine; Executive Agrees to Serve 14 Months in U.S. Prison***

WASHINGTON – Stockholm-based Autoliv Inc. has agreed to plead guilty for its role in a conspiracy to fix prices of seatbelts, airbags and steering wheels installed in U.S. cars to one automobile manufacturer and a separate conspiracy to fix prices of seatbelts to another, the Department of Justice announced today. This is the first case filed relating to occupant safety systems sold to auto manufacturers as part of the department's ongoing antitrust auto parts investigation. An executive of Japan-based Yazaki Corporation has also agreed to plead guilty for his role in a separate conspiracy to fix prices of automotive wire harnesses and related products installed in U.S. cars.

Autoliv has agreed to pay a \$14.5 million criminal fine and to cooperate with the department's ongoing investigation. Kazuhiko Kashimoto, a Yazaki executive, has agreed to serve 14 months in a U.S. prison, to pay a \$20,000 criminal fine and to cooperate with the department's ongoing investigation. The plea agreements for both Autoliv and Kashimoto are subject to court approval.

"By meeting in secret and agreeing to allocate the supply of various automotive parts, the conspirators colluded to rip off automotive manufacturers in the United States and abroad," said Scott D. Hammond, Deputy Assistant Attorney General of the Antitrust Division's criminal enforcement program. "These conspiracies eliminated competition and resulted in inflated prices to automotive manufacturers for parts in cars sold to U.S. consumers."

According to a two-count felony charge filed today in the U.S. District Court for the Eastern District of Michigan in Detroit, Autoliv engaged in conspiracies to rig bids for, and to fix, stabilize and maintain the prices of seatbelts, airbags and steering wheels sold to automakers in the United States and elsewhere.

According to court documents, Autoliv's involvement in the conspiracy to fix prices of seatbelts, airbags and steering wheels lasted from at least as early as March 2006 until at least February 2011, and its involvement in the second conspiracy to fix prices of seatbelts lasted from at least as early as May 2008 to at least February 2011. Autoliv and its co-conspirators carried out the conspiracies by agreeing, during meetings and conversations, to allocate the supply of

seatbelts, airbags and steering wheels on a model-by-model basis. The department said that Autoliv and the co-conspirators sold the occupant safety parts at noncompetitive prices to automakers in the United States and elsewhere.

According to a one-count felony charge also filed today in the U.S. District Court in Detroit, Kashimoto, along with co-conspirators, engaged in a conspiracy to rig bids for, and to fix, stabilize and maintain the prices of automotive wire harnesses and related products sold to a customer in the United States and elsewhere. Automotive wire harnesses are automotive electrical distribution systems used to direct and control electronic components, wiring and circuit boards. Related products include automotive electrical wiring, lead wire assemblies, cable bond, automotive wiring connectors, automotive wiring terminals, electronic control units, fuse boxes, relay boxes and junction blocks.

According to court documents, Kashimoto's involvement in the automotive wire harness conspiracy lasted from on or about January 2000 until at least September 2007. During the time of the conspiracy, Kashimoto held various management positions in Columbus, Ohio, and Japan for the Honda Sales and Honda Business Unit of Yazaki. Kashimoto and his co-conspirators carried out the conspiracy by agreeing, during meetings and conversations, to allocate the supply of automotive wire harnesses on a model-by-model basis and to coordinate price adjustments requested by an automobile manufacturer in the United States and elsewhere. The department said that Kashimoto and the co-conspirators sold automotive wire harnesses at non-competitive prices and engaged in meetings and conversations for the purpose of monitoring and enforcing adherence to the agreed-upon bid-rigging and price-fixing scheme. In order to keep their conduct secret, Kashimoto and his co-conspirators used code names and met at private residences and remote locations, the department said in court documents.

Including Autoliv and Kashimoto, six companies and 10 individuals have been charged in the department's ongoing investigation into price fixing and bid rigging in the auto parts industry. Furukawa Electric Co. Ltd, DENSO Corporation, Yazaki Corporation and G.S. Electech Inc. pleaded guilty and were sentenced to pay a total of more than \$750 million in criminal fines. Fujikura Ltd has agreed to plead guilty. Additionally, seven of the individuals—Junichi Funo, Hirotsugu Nagata, Tetsuya Ukai, Tsuneaki Hanamura, Ryoji Kawai, Shigeru Ogawa and Hisamitsu Takada—have been sentenced to pay criminal fines and to serve jail sentences ranging from a year and a day to two years each. Makoto Hattori has agreed to plead guilty and Norihiro Imai has pleaded guilty and awaits sentencing.

Both Autoliv and Kashimoto are charged with price fixing in violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a \$1 million fine for individuals and maximum penalty of a \$100 million criminal fine for corporations. The maximum fine for both a company and 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.

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](http://www.justice.gov/atr/contact/newcase.htm), or call the FBI's Detroit Field Office at 313-965-2323.

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