



# Department of Justice

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AT  
(202) 514-2007  
TTY (866) 544-5309

## **TOYO TIRE & RUBBER CO. LTD. AGREES TO PLEAD GUILTY TO PRICE FIXING ON AUTOMOBILE PARTS INSTALLED IN U.S. CARS**

### *Company Agrees to Pay \$120 Million Criminal Fine*

WASHINGTON – Osaka, Japan-based Toyo Tire & Rubber Co. Ltd. has agreed to plead guilty and to pay a \$120 million criminal fine for its role in two separate conspiracies to fix the prices of automotive components involving anti-vibration rubber and driveshaft parts installed in cars sold in the United States and elsewhere, the Department of Justice announced today.

According to a two-count felony charge filed today in U.S. District Court for the Northern District of Ohio in Toledo, Toyo engaged in a conspiracy to allocate sales of, to rig bids for, and to fix the prices of automotive anti-vibration rubber parts it sold to Toyota Motor Corp., Nissan Motor Corp., Fuji Heavy Industries Ltd. – more commonly known by its brand name, Subaru – and certain of their subsidiaries, affiliates and suppliers, in the United States and elsewhere. According to the charge, Toyo and its co-conspirators carried out the anti-vibration rubber parts conspiracy from as early as March 1996 until at least May 2012.

In addition, according to the charge, Toyo engaged in a separate conspiracy to allocate sales of, and to fix, raise and maintain the prices of automotive constant-velocity-joint boots it sold to U.S. subsidiaries of GKN plc, a British automotive parts supplier. According to the charge, Toyo and its co-conspirators carried out the constant-velocity-joint boots conspiracy from as early as January 2006 until as late as September 2010.

Toyo, which has subsidiaries based in Franklin, Ky., and White, Ga., has agreed to cooperate with the department's ongoing investigation. The plea agreement is subject to court approval.

"Today's charge is the latest step in the Antitrust Division's effort to hold automobile part suppliers accountable for their illegal and collusive conduct," said Renata B. Hesse, Deputy Assistant Attorney General for the Department of Justice's Antitrust Division. "The division continues to vigorously prosecute companies and individuals that seek to maximize their profits through illegal and anticompetitive means."

Automotive anti-vibration rubber parts are comprised primarily of rubber and metal, and include engine mounts and suspension bushings. They are installed in automobiles for the purpose of reducing road and engine vibration. Automotive constant-velocity-joint boots are

composed of rubber or plastic, and are used to cover the constant-velocity-joints of an automobile to protect the joints from contaminants.

The department said the company and its co-conspirators carried out the conspiracies through meetings and conversations, discussed and agreed upon bids, price quotations and price adjustments, and agreed to allocate among the companies certain sales of the anti-vibration rubber and constant-velocity-joint boots parts sold to automobile and component manufacturers.

Including Toyo, 22 companies and 26 executives have been charged in the Justice Department's ongoing investigation into the automotive parts industry. All 22 companies have either pleaded guilty or have agreed to plead guilty and have agreed to pay more than \$1.8 billion in criminal fines. Of the 26 executives, 20 have been sentenced to serve time in U.S. prisons or have entered into plea agreements calling for significant prison sentences.

Toyo 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 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 charges are the result of an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the automotive parts industry, which is being conducted by each of the Antitrust Division's criminal enforcement sections and the FBI. Today's charges were brought by the Antitrust Division's Chicago Office and the FBI's Cleveland Field Office, with the assistance of the FBI headquarters' International Corruption Unit and the U.S. Attorney's Office for the Northern District of Ohio. Anyone with information concerning the focus of this investigation should contact the Antitrust Division's Citizen Complaint Center at 1-888-647-3258, visit [www.justice.gov/atr/contact/newcase.html](http://www.justice.gov/atr/contact/newcase.html) or call the FBI's Cleveland Field Office at 216-522-1400.

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