



# Department of Justice

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TUESDAY, AUGUST 19, 2014  
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## **NGK SPARK PLUG CO. LTD. AGREES TO PLEAD GUILTY TO PRICE FIXING AND BID RIGGING ON AUTOMOBILE PARTS INSTALLED IN U.S. CARS**

*Company Agrees to Pay \$52.1 Million Criminal Fine*

WASHINGTON – NGK Spark Plug Co. Ltd., an automotive parts manufacturer based in Nagoya, Japan, has agreed to plead guilty and to pay a \$52.1 million criminal fine for its role in a conspiracy to fix prices and rig bids for spark plugs, standard oxygen sensors, and air fuel ratio sensors installed in cars sold to automobile manufacturers in the United States and elsewhere, the Department of Justice announced today.

According to the one-count felony charge filed today in the U.S. District Court for the Eastern District of Michigan in Detroit, NGK Spark Plug engaged in a conspiracy to rig bids for, and to fix, stabilize and maintain the prices of, spark plugs, standard oxygen sensors and air fuel ratio sensors installed in cars sold to automobile manufacturers such as DaimlerChrysler AG, Honda Motor Co. Ltd. and Toyota Motor Corp., among others, in the United States and elsewhere. In addition to the criminal fine, NGK Spark Plug has agreed to cooperate in the department's ongoing investigation. The plea agreement will be subject to court approval.

"Today's guilty plea is just another example of the commitment of the Antitrust Division to preserving fair and legal competitive practices," said Brent Snyder, Deputy Assistant Attorney General for the Antitrust Division's criminal enforcement program. "We will continue to do whatever it takes to protect U.S. consumers and businesses."

According to the charge, NGK Spark Plug and its co-conspirators carried out the conspiracy through meetings and conversations in which they discussed and agreed upon bids and price quotations on bids to be submitted to certain automobile manufacturers and to allocate the supply of the products to those manufacturers. NGK Spark Plug sold spark plugs, standard oxygen sensors, and air fuel ratio sensors at non-competitive prices to auto makers in the United States and elsewhere in furtherance of the agreement. NGK Spark Plug's involvement in the conspiracy lasted from at least as early as January 2000 until on or about July 2011.

NGK Spark Plug manufactures and sells spark plugs, standard oxygen sensors and air fuel ratio sensors. A spark plug is an engine component for delivering high electric voltage from the ignition system to the combustion chamber of an internal combustion engine. Oxygen sensors are located in the exhaust system and measure the amount of oxygen in the exhaust. Air

fuel ratio sensors are “wideband” oxygen sensors that enable more precise control of the air/fuel ratio injected into the engine.

The charge against NGK Spark Plug is the latest in the department’s on-going investigation into anticompetitive conduct in the automotive parts industry. These are the first charges filed relating to spark plugs, standard oxygen sensors and air fuel ratio sensors sold to automobile manufacturers.

Including NGK Spark Plug, 28 companies and 26 executives have pleaded guilty or agreed to plead guilty in the division’s ongoing investigation into price fixing and bid rigging in the auto parts industry and have agreed to pay a total of \$2.4 billion in criminal fines.

NGK Spark Plug is charged with price fixing and bid rigging 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.

Today’s charge is 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 the Antitrust Division’s criminal enforcement sections and the FBI. Today’s charge was brought by the Antitrust Division’s Washington Criminal I Section and the FBI’s Detroit Field Office with the assistance of the FBI Headquarters’ International Corruption Unit. Anyone with information on price fixing, bid rigging and other anticompetitive conduct related to the automotive parts industry should contact the Antitrust Division’s Citizen Complaint Center at 1-888-647-3258, visit <http://www.justice.gov/atr/contact/newcase.html> or call the FBI’s Detroit Field Office at 313-965-2323.

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