



Department of Justice

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**FORMER EXECUTIVES FROM PANASONIC CORP., WHIRLPOOL CORP.
SUBSIDIARY AND TECUMSEH PRODUCTS CO. SUBSIDIARY INDICTED IN
COMPRESSOR PRICE-FIXING CONSPIRACY**

*First Executives Charged in Ongoing Investigation into the Worldwide
Refrigerant Compressors Market*

WASHINGTON — A Detroit federal grand jury returned an indictment today against three former executives from Panasonic Corporation, a Whirlpool Corporation subsidiary and a Tecumseh Products Company subsidiary for their role in an international conspiracy to fix the prices of refrigerant compressors, which are used in refrigerators and freezers in homes and businesses, the Department of Justice announced.

The indictment, returned today in U.S. District Court in Detroit, charges Ernesto Heinzelmann, former president and chief executive officer of Empresa Brasileira de Compressores S.A. (Embraco), a division of Whirlpool S.A.; Gerson Veríssimo, former president of Tecumseh do Brasil Ltda., a subsidiary of Tecumseh Products Company; and Naoki Adachi, general manager of global sales & SE group, refrigeration devices division at Panasonic Corporation, with conspiring to suppress and eliminate competition by coordinating price increases for refrigerant compressors to customers in the United States and elsewhere. Heinzelmann and Veríssimo are charged with participating in the conspiracy from at least as early as Oct. 14, 2004, until on or about Dec. 31, 2007. Adachi is charged with participating in the conspiracy from at least as early as May 10, 2006, until on or about Dec. 31, 2007. Heinzelmann, Veríssimo and Adachi are the first executives charged in the ongoing investigation into the worldwide refrigerant compressors market.

Refrigerant compressors take in low-pressure refrigerant, compress it and then pump out a high-pressure vapor, which condenses and subsequently cools devices such as refrigerators and freezers.

“Cracking down on international price fixing cartels has been and will continue to be among the most significant priorities for the Antitrust Division,” said Sharis A. Pozen, Acting Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “Our investigation into the refrigerant compressors industry has already resulted in two companies – Panasonic and Embraco North America – pleading guilty and paying a total of \$140.9 million in criminal fines. Our investigation is continuing.”

According to the indictment, Heinzelmann, Veríssimo and Adachi carried out the conspiracy by participating in or directing the participation of subordinate employees in meetings and conversations to coordinate price increases of refrigerant compressors in the United States and elsewhere. As part of the conspiracy, Heinzelmann, Veríssimo, Adachi and co-conspirators sold and accepted payments for the compressors at collusive and non-competitive prices.

Heinzelmann, Veríssimo and Adachi 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. 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.

On Nov. 15, 2010, Panasonic Corporation pleaded guilty and was sentenced to pay a \$49.1 million criminal fine, and on Dec.16, 2010, Embraco North America Inc. pleaded guilty and was sentenced to pay a \$91.8 million criminal fine.

Today's charge is the result of a joint investigation into the worldwide refrigerant compressors industry being conducted by the Antitrust Division's Cleveland Field Office and the FBI's Detroit Field Office, Ann Arbor, Resident Agency. Anyone with information concerning price fixing or other anticompetitive conduct in the refrigerant compressor industry is urged to call the Antitrust Division's Cleveland Field Office at 216-687-8400 or visit www.justice.gov/atr/contact/newcase.htm.

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