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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

v.

RYOJI FUKUDOME,
TOSHIHIKO NAGASHIMA,

Defendants.

Case:2:13-cr-20689
Judge: Friedman, Bernard A.
MJ: Majzoub, Mona K.
Filed: 09-19-2013 At 01:22 PM
INDI USA V. RYOJI FUKUDOME ET AL (D
A)

Violation: 15 U.S.C. § 1
(conspiracy to restrain trade)

INDICTMENT

The Grand Jury Charges:

The Defendants and Co-conspirators

At all times relevant to this Indictment:

1. The defendants, RYOJI FUKUDOME and TOSHIHIKO NAGASHIMA, were residents and natives of Japan.
2. FUKUDOME was employed by Fujikura, Ltd. ("Fujikura") as General Manager of the Automotive Global Marketing Department from April 2001 to April 2006.
3. NAGASHIMA was employed by Fujikura as Manager of the Fujikura Wire Harness Center in Ohta, Japan, from July 1994 to April 2006, and as General Manager of the Automotive Global Marketing Department from April 2006 to April 2009.
4. Fujikura was a Japanese company with its principal place of business in Tokyo, Japan. Fujikura was engaged in the business of manufacturing and selling automotive wire harnesses and related products to Fuji Heavy Industries, an automaker commonly known by its brand name Subaru ("Subaru"), in the United States and elsewhere.

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

6. Whenever in this Indictment 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

7. FUKUDOME, NAGASHIMA, and their co-conspirators supplied automotive wire harnesses and related products to Subaru for installation in vehicles manufactured and sold in the United States and elsewhere.

8. Fujikura and its co-conspirators manufactured automotive wire harnesses and related products (a) in Japan and elsewhere for export to the United States and installation in vehicles manufactured and sold in the United States and (b) in Japan and elsewhere for installation in vehicles manufactured in Japan for export to and sale in the United States.

9. Automotive wire harnesses are automotive electrical distribution systems used to direct and control electronic components, wiring, and circuit boards. For the purposes of this Indictment, related products include: cable bond, automotive wiring connectors, automotive wiring terminals, and fuse boxes.

10. When purchasing automotive wire harnesses and related products, Subaru issues Requests for Quotation (“RFQs”) to automotive parts suppliers. Automotive parts suppliers submit quotations, or bids, to Subaru in response to RFQs, and Subaru awards 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 begins approximately three years prior to the start of production of the model that is the subject of the RFQ. Subaru procures parts for U.S.-manufactured vehicles both in Japan and in the United States.

Conspiracy to Restrain Trade

11. From at least as early as September 2005, and continuing until at least February 2010, the exact dates being unknown to the Grand Jury, in the Eastern District of Michigan and elsewhere, FUKUDOME, NAGASHIMA, and their 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 Subaru in the United States and elsewhere. The combination and conspiracy engaged in by FUKUDOME, NAGASHIMA, and their 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).

12. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among FUKUDOME, NAGASHIMA, and their 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 Subaru in the United States and elsewhere.

Manner and Means of the Conspiracy

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

- a. participating in meetings, conversations, and communications in Japan to discuss the bids and price quotations to be submitted to Subaru in the United States and elsewhere;
- b. agreeing, during those meetings, conversations, and communications, on bids and price quotations to be submitted to Subaru 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 Subaru in the United States and elsewhere on a model-by-model basis;
- d. submitting bids and price quotations to Subaru in the United States and elsewhere in accordance with the agreements reached;
- e. selling automotive wire harnesses and related products to Subaru in the United States and elsewhere at collusive and noncompetitive prices;
- f. accepting payment for automotive wire harnesses and related products sold to Subaru in the United States and elsewhere at collusive and noncompetitive prices; and
- g. engaging in meetings, conversations, and communications in Japan for the purpose of monitoring and enforcing adherence to the agreed-upon bid-rigging and price-fixing scheme.

Trade and Commerce

14. During the period covered by this Indictment, Fujikura and its co-conspirators sold to Subaru, 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 by Fujikura and its co-conspirators, as well as payments for automotive wire harnesses and related products sold by Fujikura and its co-conspirators, traveled in interstate and foreign trade and commerce. The business activities of FUKUDOME, NAGASHIMA, and their 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

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

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

A TRUE BILL

s/Grand Jury Foreperson
GRAND JURY FOREPERSON

Dated: Sept 19, 2013

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

s/Lisa M. Phelan
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Chief, National Criminal Enforcement Section
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United States Department of Justice

s/Marvin N. Price, Jr.
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