

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

1:13 CR 103

UNITED STATES OF AMERICA)
)
 v.)
)
 NSK Ltd.,)
)
)
 Defendant.)
_____)

Criminal No.
Filed:
Violation: 15 U.S.C. § 1

INFORMATION

**COUNT ONE
CONSPIRACY TO RESTRAIN TRADE
(15 U.S.C. § 1)**

FILED
JOHN P. HEHMAN
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U.S. DISTRICT COURT
SOUTHERN DIST OHIO
WEST DIV CINCINNATI

THE UNITED STATES, ACTING THROUGH ITS ATTORNEYS, CHARGES:

Defendant and Co-Conspirators

1. NSK Ltd. ("Defendant") is a corporation organized and existing under the laws of Japan with its principal place of business in Tokyo, Japan. During the period covered by this Information, Defendant was engaged in the manufacture and sale of bearings to Toyota Motor Company, certain of its subsidiaries, and other Japanese automobile manufacturers and Japanese automobile component manufacturers ("Japanese automobile and component manufacturers") for installation in vehicles manufactured and sold in the United States and elsewhere.

2. Various corporations and individuals, not made defendants in this Information, participated as co-conspirators in the offense charged in this Information and performed acts and made statements in furtherance thereof.

3. Whenever in this Information 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, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

Background of the Offense

4. During the period covered by this Information, Defendant and its co-conspirators manufactured and sold bearings to Japanese automobile and component manufacturers for installation in vehicles manufactured and sold in the United States and elsewhere. During the period covered by this Information, Defendant and its co-conspirators manufactured and sold bearings: (a) in the United States and elsewhere for installation in vehicles manufactured and sold in the United States; (b) in Japan and elsewhere for export to the United States and installation in vehicles manufactured and sold in the United States; and (c) in Japan and elsewhere for installation in vehicles manufactured in Japan and elsewhere for export to and sale in the United States.

5. Bearings are widely used in industry in numerous applications for many products. Bearings reduce friction and help things to roll smoothly past on another; they "bear" the load. When purchasing bearings, Japanese automobile and component manufacturers typically issue Requests for Quotation ("RFQs") to automotive parts suppliers on a model-by-model basis for model specific parts. Automotive parts suppliers submit quotations, or bids, to the Japanese automobile and component manufacturers in response to the RFQs, and the Japanese automobile and component manufacturers award 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 for a particular model begins approximately three years prior to the start of production. Japanese

automobile and component manufacturers procure parts for U.S.-manufactured vehicles in the United States and elsewhere.

Conspiracy to Restrain Trade

6. From at least as early as 2000 and continuing until as late as July 2011, the exact dates being unknown to the United States, Defendant and its co-conspirators participated in a combination and conspiracy to suppress and eliminate competition in the automotive parts industry by agreeing to allocate markets, rig bids for, and to fix, stabilize, and maintain the prices of bearings sold to Japanese automobile and component manufacturers in the United States and elsewhere. The combination and conspiracy engaged in by Defendant and its co-conspirators was in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

7. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendant and its co-conspirators, the substantial terms of which were to allocate markets, rig bids for, and to fix, stabilize, and maintain prices of, bearings sold to Japanese automobile and component manufacturers in the United States and elsewhere.

Manner and Means of the Conspiracy

8. For the purpose of forming and carrying out the charged combination and conspiracy, Defendant and its co-conspirators did those things that they combined and conspired to do, including, among other things:

(a) participating in meetings, conversations, and communications in the United States and elsewhere to discuss the bids and price quotations to be submitted to Japanese automobile and component manufacturers in the United States and elsewhere;

(b) agreeing, during those meetings, conversations, and communications on bids and price quotations to be submitted to Japanese automobile and component manufacturers in the United States and elsewhere;

(c) agreeing, during those meetings, conversations, and communications, to allocate the supply of bearings sold to Japanese automobile and component manufacturers in the United States and elsewhere;

(d) agreeing, during those meetings, conversations, and communications, to coordinate price adjustments requested by Japanese automobile and component manufacturers in the United States and elsewhere;

(e) submitting bids, price quotations, and price adjustments to Japanese automobile and component manufacturers in the United States and elsewhere;

(f) selling bearings to Japanese automobile and component manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

(g) accepting payment for bearings sold to Japanese automobile and component manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

(h) engaging in meetings, conversations, and communications in the United States and elsewhere for the purpose of monitoring and enforcing adherence to the agreed-upon market allocation, bid-rigging, and price-fixing scheme; and

(i) employing measures to keep their conduct secret, including, but not limited to, using code names and meeting at remote locations.

Trade and Commerce

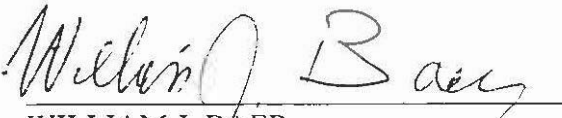
9. During the period covered by this Information, Defendant and its co-conspirators sold to Japanese automobile and component manufacturers located in various states in the United States substantial quantities of bearings shipped from outside the United States and from other states in a continuous and uninterrupted flow of interstate and foreign trade and commerce. In addition, substantial quantities of equipment and supplies necessary to the manufacture and sale of bearings sold by Defendant and its co-conspirators, as well as substantial payments for bearings sold by Defendant and its co-conspirators, traveled in interstate and foreign trade and commerce. The business activities of Defendant and its co-conspirators in connection with the manufacture and sale of bearings 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

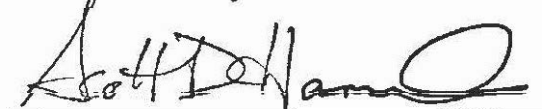
10. The combination and conspiracy charged in this Information was carried out within the United States, at least in part, within the five years preceding the filing of the Information.

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

Dated:



WILLIAM J. BAER
Assistant Attorney General



SCOTT D. HAMMOND
Deputy Assistant Attorney General

s/Frank J. Vondrak

Frank J. Vondrak
Chief, Chicago Office



MARVIN N. PRICE, JR
Director of Criminal Enforcement

Antitrust Division
United States Department of Justice



Carter M. Stewart
United States Attorney for the
Southern District of Ohio

s/Diane Lotko-Baker

Diane Lotko-Baker
Carla M. Stern
Jason C. Turner

Attorneys, Antitrust Division
U.S. Department of Justice
Chicago Office
209 S. LaSalle Street
Suite 600
Chicago, Illinois 60604
(312) 353-7530