



# Department of Justice

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## **DANFOSS GROUP SUBSIDIARY AGREES TO PLEAD GUILTY FOR ROLE IN PRICE-FIXING CONSPIRACY INVOLVING REFRIGERANT COMPRESSORS**

### *Company Agrees to Pay \$3 Million Criminal Fine*

WASHINGTON — Danfoss Flensburg GmbH, formerly Danfoss Compressors GmbH, has agreed to plead guilty and to pay a \$3 million criminal fine for its role in an international conspiracy to fix the prices of light commercial compressors, a type of refrigerant compressor used in devices such as water coolers and vending machines, the Department of Justice announced today.

According to a one-count felony charge filed today in U.S. District Court in Detroit, Danfoss Flensburg GmbH, a German subsidiary of the Danfoss Group, a Danish corporation, participated in a conspiracy to fix the prices of light commercial compressors sold in the United States and elsewhere from as early as Oct. 14, 2004, and continuing until about Sept. 6, 2007. According to the plea agreement, which is subject to court approval, Danfoss agreed to cooperate with the department's ongoing refrigerant compressor investigation.

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 water coolers and vending machines.

"The department's investigation into the international conspiracy to fix the prices of refrigerant compressors is ongoing," said Sharis A. Pozen, Acting Assistant Attorney General in charge of the Department of Justice's Antitrust Division. "We are committed to ensuring open and fair competition in the refrigerant compressors market."

According to the charge, Danfoss and co-conspirators carried out the conspiracy by agreeing during meetings and conversations to coordinate prices of light commercial compressors sold in the United States and elsewhere. As a part of the conspiracy, Danfoss and co-conspirators exchanged information on sales of light commercial compressors to monitor and enforce adherence to the agreed-upon prices.

Danfoss is charged with price fixing in violation of the Sherman Act, which carries a maximum \$100 million 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.

Danfoss is the third company to be charged in the department's investigation of the international conspiracy to fix the prices of refrigerant compressors. 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. In addition, on Sept. 27, 2011, three former executives – Ernesto Heinzelmann of Empresa Brasileira de Compressores S.A.; Gerson Verissimo of Tecumseh do Brasil Ltda.; and Naoki Adachi of Panasonic – were charged with participating in a conspiracy to coordinate price increases for refrigerant compressors to customers in the United States and elsewhere.

The department's ongoing investigation into the worldwide refrigerant compressors market is 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 in the refrigerant compressor industry should call the Antitrust Division's Cleveland Field Office at 216-687-8400 or visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm).

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