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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

1:16CR078

UNITED STATES OF AMERICA)
)
)
v.)
)
HITACHI AUTOMOTIVE SYSTEMS, LTD.)
)
)
Defendant.)
_____)

Criminal No.)
Filed: **J. BARRETT**)
Violation: 15 U.S.C. § 1)

INFORMATION

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

THE UNITED STATES, ACTING THROUGH ITS ATTORNEYS, CHARGES:

Defendant and Co-Conspirators

1. Hitachi Automotive Systems, Ltd. (“Defendant”) is a corporation organized and existing under the laws of Japan with its principal place of business in Tokyo, Japan. Defendant has affiliates, subsidiaries, and predecessors in interest, including Hitachi Automotive Systems Americas, Inc.; the former Hitachi Automotive Systems Group of Hitachi, Ltd., as it existed prior to July 1, 2009; the former Hitachi Unisia Automotive, Ltd.; the former Tokico, Ltd.; and entities engaged in the manufacture or sale of automotive parts, that the Defendant or Hitachi Automotive Systems Americas, Inc. had a greater than 50% ownership (the “Related Entities”). During the period covered by this Information, Defendant and its Related Entities were engaged in the manufacture and sale of shock absorbers to Suzuki Motor Corporation and

Toyota Motor Corporation, and certain of their subsidiaries (collectively, “Automobile Manufacturers”) in the United States and elsewhere for installation in automobiles 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 of it.

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

4. During the period covered by this Information, Defendant, its Related Entities, and its co-conspirators manufactured and sold shock absorbers to Automobile Manufacturers for installation in vehicles manufactured and/or sold in the United States and elsewhere. During the period covered by this Information, Defendant and its co-conspirators manufactured and sold shock absorbers: (a) in the United States for installation in vehicles manufactured and sold in the United States; and (b) in the United States, Japan, and elsewhere for installation in vehicles manufactured in Canada, Japan, and elsewhere, some of which were then imported to and sold in the United States.

5. Shock absorbers are part of the suspension system on automobiles. They absorb and dissipate energy to help cushion vehicles on uneven roads leading to improved ride quality and vehicle handling. Shock absorbers are also called dampers.

When purchasing shock absorbers, Automobile 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 Automobile Manufacturers in response to the RFQs, and the Automobile Manufacturers award the business to the selected automotive parts supplier for the lifespan of the model, which is usually four to six years for automobiles. Typically, the bidding process for a particular model begins more than three years prior to the start of production. Automobile Manufacturers procure parts for U.S. manufactured vehicles in the United States and elsewhere.

Conspiracy to Restrain Trade

6. From at least the mid-1990s and continuing until as late as summer 2011, the exact dates being unknown to the United States, in the Southern District of Ohio and elsewhere, Defendant, its Related Entities, and its co-conspirators knowingly entered into and engaged in a combination and conspiracy to suppress and eliminate competition in the automotive parts industry by agreeing to allocate markets of, rig bids for, and to fix, stabilize, and maintain the prices of shock absorbers sold to Automobile Manufacturers in the United States and elsewhere. The combination and conspiracy engaged in by Defendant, its Related Entities, and its co-conspirators was an unreasonable restraint of interstate 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, its Related Entities, and its co-conspirators the substantial terms of which were to allocate markets, rig bids

for, and to fix, stabilize, and maintain the prices of shock absorbers sold to Automobile 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, its Related Entities, 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 for the sale of shock absorbers to be submitted to Automobile Manufacturers in the United States and elsewhere;

(b) agreeing, during those meetings, conversations, and communications, on bids and price quotations for the sale of shock absorbers to be submitted to Automobile Manufacturers in the United States and elsewhere;

(c) agreeing, during those meetings, conversations, and communications, to allocate the supply of shock absorbers sold to Automobile Manufacturers in the United States and elsewhere;

(d) agreeing, during those meetings, conversations, and communications, to coordinate price adjustments requested by Automobile Manufacturers in the United States and elsewhere;

(e) submitting bids, price quotations, and price adjustments to Automobile Manufacturers in the United States and elsewhere;

(f) selling shock absorbers to Automobile Manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

(g) accepting payment for shock absorbers sold to Automobile Manufacturers in the United States and elsewhere at collusive and noncompetitive prices;

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

(i) employing measures to keep their conduct secret, including, but not limited to, using code names, meeting at remote locations, and concealing the nature of and participants at conspiratorial meetings.

Trade and Commerce

9. During the period covered by this Information, Defendant, its Related Entities, and its co-conspirators sold substantial quantities of shock absorbers manufactured in the United States and elsewhere in a continuous and uninterrupted flow of interstate and foreign trade and commerce to Automobile Manufacturers located in various States in the United States and elsewhere outside the place of origin.

10. During the period covered by this Information, the business activities of Defendant, its Related Entities, and its co-conspirators in connection with the manufacture and sale of shock absorbers that are the subject of this Information were within the flow of, and substantially affected, interstate trade and commerce.

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

Dated:




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Acting Assistant Attorney General

s/Frank J. Vondrak
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