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RICHARD W. NAGEL
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

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U.S. DISTRICT COURT
SOUTHERN DIST OHIO
WEST DIV CINCINNATI

UNITED STATES OF AMERICA)
)
v.)
)
MARUYASU INDUSTRIES CO., LTD.,)
CURTIS-MARUYASU AMERICA, INC.,)
TADAO HIRADE,)
KAZUNORI KOBAYASHI,)
SATORU MURAI,)
and)
YOSHIHIRO SHIGEMATSU,)
)
Defendants.)

Criminal No.: **1:16CR-64**

Violation: 15 U.S.C. § 1 **J. DLOTT**

Filed:

INDICTMENT

The Grand Jury charges that:

I. DEFENDANT AND CO-CONSPIRATORS

At all times relevant to this Indictment:

1. During the period covered by the Indictment, Defendant CURTIS-MARUYASU AMERICA, INC. ("CMA"), an Indiana corporation with its principal place of business in Lebanon, Kentucky, was a wholly-owned subsidiary of Defendant MARUYASU INDUSTRIES CO., LTD. During the period covered by this Indictment, Defendant CMA conducted business from facilities located in several other locations, including Tracy, California and San Antonio, Texas. During the period covered by this Indictment, Defendant CMA manufactured, supplied, and sold automotive steel tubes to customers in the United States.

2. During the period covered by this Indictment, Defendant MARUYASU, a global automotive parts manufacturer, was a corporation organized and existing under the laws of Japan

with its headquarters in the Aichi Prefecture in Japan. During the period covered by this Indictment, Defendant MARUYASU, by and through its wholly-owned subsidiary Defendant CMA and other known and unknown subsidiaries, manufactured and supplied automotive steel tubes in the United States and elsewhere, including at a facility in Lebanon, Kentucky, operated by its wholly-owned subsidiary, Defendant CMA. During the period covered by this Indictment, Defendant MARUYASU, by and through its wholly-owned subsidiary Defendant CMA, was engaged in the sale of automotive steel tubes to vehicle manufacturers and suppliers to vehicle manufacturers (collectively, “customers”) in the United States and elsewhere.

3. From at least as early as July 2003 through at least March 2010, the exact dates being unknown to the grand jury, Defendant TADAO HIRADE, a resident and citizen of Japan, served as Assistant General Manager of Sales Group No. 2 and General Manager of Sales Division 2 for Defendant MARUYASU. In both of those positions, Defendant HIRADE had responsibility for sales of automotive steel tubes by Defendant MARUYASU. Defendant HIRADE was an employee of Defendant MARUYASU until at least July 9, 2011.

4. From at least as early as 2002 through at least April 2006, the exact dates being unknown to the grand jury, Defendant KAZUNORI KOBAYASHI, a resident and citizen of Japan, resided in the United States and served as sales coordinator at Defendant CMA, with responsibility for sales of automotive steel tubes to customers in the United States. From at least as early as June 2007 through at least July 2009, Defendant KOBAYASHI resided in Japan, where he served as General Manager of Sales Group No. 1 and then General Manager for Sales Division No. 2 for Defendant MARUYASU, with responsibility for sales of automotive steel tubes. Defendant KOBAYASHI was an employee of Defendant MARUYASU until at least July 9, 2011.

5. From at least as early as December 2001 through at least July 2011, the exact dates being unknown to the grand jury, Defendant SATORU MURAI, a resident and citizen of Japan, was Managing Director and then Senior Managing Director for Defendant MARUYASU, with responsibility for sales of automotive steel tubes by Defendant MARUYASU. Defendant MURAI was an employee of Defendant MARUYASU until at least July 9, 2011.

6. From at least as early as July 2003 through December 2005, the exact dates being unknown to the grand jury, Defendant YOSHIHIRO SHIGEMATSU, a resident and citizen of Japan, was a Chief in Sales Group No. 1 and Sales Group No. 2 for Defendant MARUYASU and had responsibility for sales of automotive steel tubes by Defendant MARUYASU. From at least as early as May 2006 through October 2010, Defendant SHIGEMATSU resided in the United States and served as sales coordinator at Defendant CMA, with responsibility for sales of automotive steel tubes to customers in the United States. Defendant SHIGEMATSU was an employee of Defendant MARUYASU until at least July 9, 2011.

7. Other corporations and individuals, located in the United States and Japan, not made defendants in this Indictment, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

8. Whenever this Indictment refers to any act, deed or transaction of any company, it means that the company 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.

II. BACKGROUND

9. Automotive steel tubes are used in fuel distribution, braking, and other automotive systems and are sometimes divided into two categories – chassis tubes and engine

parts. As their names suggest, chassis tubes, such as brake and fuel tubes, tend to be located in the body of a vehicle, while engine parts, such as fuel injection rails, oil level tubes, and oil strainer tubes, are associated with the function of a vehicle's engine.

10. When purchasing automotive steel tubes, customers typically issued requests for quotations ("RFQs") to suppliers for specific models or engines. Automotive steel tube suppliers like Defendants and their co-conspirators, submitted quotations or bids to customers in response to the RFQs, and contracts were awarded to selected suppliers for the lifespan of the model or engine, often four to six years. Typically the bidding process occurred a year or more prior to the start of production of the model or engine that was the subject of the RFQs.

11. Defendants and their co-conspirators sold automotive steel tubes to customers for installation in vehicles and engines manufactured and sold in the United States and elsewhere.

Defendants and their co-conspirators:

- (a) manufactured and sold automotive steel tubes in the United States for installation in vehicles and engines manufactured and sold in the United States;
- (b) manufactured automotive steel tubes in foreign countries and sold them for delivery to the United States and installation in vehicles and engines manufactured and sold in the United States; and
- (c) manufactured and sold automotive steel tubes in foreign countries for installation in vehicles and engines manufactured in the foreign countries, some of which were then delivered to and sold in the United States.

III. DESCRIPTION OF THE OFFENSE

12. Beginning at least as early as December 2003 and continuing until at least as late as July 9, 2011, the exact dates being unknown to the Grand Jury, in the Southern District of Ohio and elsewhere, Defendants and their co-conspirators knowingly entered into and engaged in a combination and conspiracy to suppress and eliminate competition by agreeing to fix prices, allocate customers, and rig bids for automotive steel tubes sold in the United States and elsewhere. The combination and conspiracy engaged in by Defendants and their 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).

13. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendants and their co-conspirators, the substantial terms of which were to fix prices, allocate customers, and rig bids for automotive steel tubes sold in the United States and elsewhere.

IV. MEANS AND METHODS OF THE CONSPIRACY

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

- (a) participated in (and directed, authorized, and consented to the participation of subordinate employees in) meetings, conversations, and communications in the United States and elsewhere concerning customers, bids, prices, and price adjustments for automotive steel tubes to be submitted to customers in the United States and elsewhere, including meetings in or around: March 2004 near Lebanon, Kentucky; August 2004

near Detroit, Michigan; November 2005 near Lexington, Kentucky; May 2007 in Detroit, Michigan; October 2008 in Dayton, Ohio; July 2009 in Dayton, Ohio; and October 2010 in Findlay, Ohio, the exact dates being unknown to the grand jury;

- (b) exchanged information and agreed (and directed, authorized, and consented to subordinate employees exchanging information and agreeing) during such meetings, conversations, and communications on allocations of customers, as well as on bids, prices, and price adjustments to be submitted to customers in the United States and elsewhere;
- (c) agreed during those meetings, conversations, and communications not to compete for certain customers or for certain business for automotive steel tubes sold in the United States and elsewhere by not submitting prices or bids or by submitting collusive and noncompetitive prices or bids to customers in the United States and elsewhere;
- (d) submitted, directed, and authorized the submission of collusive and noncompetitive bids, prices, and price adjustments for automotive steel tubes;
- (e) sold automotive steel tubes to customers in the United States and elsewhere at collusive and noncompetitive prices;
- (f) accepted payment for automotive steel tubes sold to customers, in the United States and elsewhere at collusive and noncompetitive prices; and
- (g) employed measures to conceal their conduct, including, but not limited to, avoiding the use of co-conspirators' names, meeting surreptitiously with

co-conspirators, and adopting means and methods of communication designed to avoid detection.

V. TRADE AND COMMERCE

15. During the period covered by this Indictment, Defendants and their co-conspirators sold to customers in the United States and elsewhere substantial quantities of automotive steel tubes manufactured in the United States and shipped to customers in other states and automotive steel tubes manufactured outside the United States and shipped to the United States, all in a continuous and uninterrupted flow of interstate and U.S. import trade and commerce. Substantial payments to Defendants and their co-conspirators for automotive steel tubes traveled in interstate trade and commerce.

16. During the period covered by this Indictment, the business activities of Defendants and their co-conspirators in connection with the production and sale of automotive steel tubes that are the subject of this Indictment were within the flow of, and substantially affected, interstate and U.S. import trade and commerce.

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

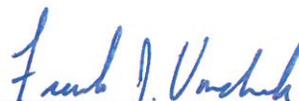
Dated: 6/15/16

A TRUE BILL

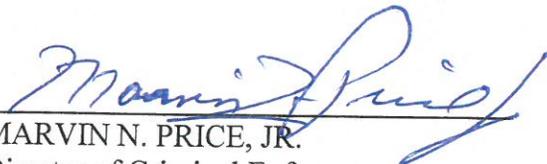
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BRENT SNYDER
Deputy Assistant Attorney General

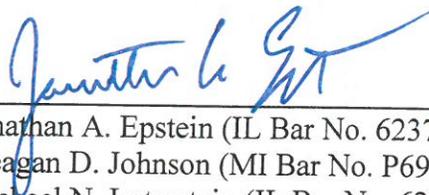


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