



Department of Justice

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AT
(202) 514-2007
TTY (866) 544-5309

NISHIKAWA AGREES TO PLEAD GUILTY AND PAY \$130 MILLION CRIMINAL FINE FOR FIXING PRICES OF AUTOMOTIVE PARTS

WASHINGTON – Nishikawa Rubber Co. Ltd. (Nishikawa) has agreed to plead guilty and pay a \$130 million criminal fine for its role in a conspiracy to fix the prices of and rig the bids for automotive body sealing products installed in cars sold to U.S. consumers, the Justice Department announced today.

According to charges filed today in U.S. District Court for the Eastern District of Kentucky, Nishikawa conspired from at least as early as January 2000 until at least September 2012 to fix the prices and rig bids of automotive body sealing products sold to Honda Motor Company Ltd., Toyota Motor Corporation, Fuji Heavy Industries Ltd. (Subaru) and certain of their subsidiaries and affiliates in the United States and elsewhere. Automotive body sealing products consist of body-side opening seals, door-side weather-stripping, glass-run channels, trunk lids and other smaller seals, which are installed into automobiles to keep the interior dry from rain and free from wind and exterior noises. Nishikawa agreed to cooperate in the department's ongoing investigation. The plea agreement will be subject to court approval.

"Nishikawa has agreed to pay a steep price for its participation in a conspiracy that victimized consumers in both the United States and Canada," said Deputy Assistant Attorney General Brent Snyder of the Justice Department's Antitrust Division. "However, Nishikawa deserves credit for acknowledging their conduct, accepting responsibility and charting a new path toward compliance and remediation."

"The FBI is committed to aggressively investigating companies and individuals who engage in criminal conduct that corrupts the global marketplace," said Special Agent in Charge Howard S. Marshall of the FBI's Louisville office. "We will continue our work with the Department of Justice Antitrust Division to uncover schemes aimed at creating an unfair competitive advantage by way of price fixing, bid rigging or other illegal means."

The division worked closely with the Competition Bureau of Canada throughout this investigation pursuant to the *Agreement Between the Government of Canada and the Government of the United States of America Regarding the Application of their Competition and Deceptive Marketing Practices Laws*. In part through that cooperation, the Antitrust Division and the Canadian Competition Bureau were able to identify affected sales of automotive body sealing products manufactured in the United States and then shipped to Canada for assembly into

automobiles that were imported into the United States. These sales were included as affected commerce for purposes of calculating Nishikawa's fine. Because of the particular facts of this case, including that Nishikawa's conduct primarily targeted the United States and because the fine imposed today is an effective remedy in the United States and Canada, once final judgment is entered in this case, the Commissioner of the Competition Bureau of Canada will exercise his discretion to not pursue further enforcement action against Nishikawa in Canada for this conduct.

"Today's resolution is only the most recent and visible example of cooperation that routinely occurs between the Competition Bureau and U.S. Department of Justice," said Deputy Assistant Attorney General Snyder. "We greatly appreciate and value the working relationship our two agencies have developed over many years of pursuing a shared mission to protect competition in our markets and the consumers who benefit from it."

"Strong cooperation among law enforcers is crucial to detect and deter cartel activities that span beyond our borders," said Senior Deputy Commissioner Matthew Boswel of the Cartels and Deceptive Marketing Practices Branch of the Competition Bureau of Canada. "We achieved great results through cooperation with our US partners in this international investigation into bid-rigging in the auto parts industry. The Bureau continues to work closely with partners, in the US and elsewhere, to crack down on cartels."

Today's charge is the result of an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the automotive parts industry, which is being conducted by the Antitrust Division's criminal enforcement sections and the FBI. Including Nishikawa, 45 companies and 64 executives have been charged in the division's ongoing investigation and have agreed to pay a total of more than \$2.8 billion in criminal fines. Nishikawa is being prosecuted by the Antitrust Division's Chicago Office and the FBI's Louisville Field Office, Covington Resident Agency, with assistance from the U.S. Attorney's Office of the Eastern District of Kentucky. Anyone with information on market allocation, price fixing, bid rigging and other anticompetitive conduct related to other products in the automotive parts industry should contact the Antitrust Division's Citizen Complaint Center at 1-888-647-3258, visit www.justice.gov/atr/contact/newcase.html or call the FBI's Louisville Field Office at 502-263-6000.

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