

AntitrustConnect Blog

Fines Mounting in Department of Justice Auto Parts Cartel Investigation

Jeffrey May (Wolters Kluwer) · Monday, January 30th, 2012

The Department of Justice today [announced](#) a total of \$548 million in fines resulting from a second round of charges in the government's ongoing investigation into collusive activity in the auto parts industry.

Two more Japanese companies have agreed to plead guilty for their roles in multiple price fixing and bid rigging conspiracies in the sale of parts to automobile manufacturers in the United States. The Antitrust Division announced that Japanese suppliers of automotive electrical components—Yazaki Corporation and DENSO Corporation—have agreed to pay a total of \$548 million in criminal fines.

The latest fines, when taken together with a \$200 million fine imposed last November on Furukawa Electric Co. Ltd., bring the total fines from the probe to more than \$748 million. Furukawa—a Japanese supplier of automotive wire harnesses and related products—was the first company charged in the investigation. Three executives also were charged at that time. A general manager of sales/chief financial officer at a Furukawa subsidiary in the United States also was fined \$20,000.

In this second round of charges, Yazaki agreed to pay \$470 million; DENSO agreed to pay \$78 million; and four individual defendants agreed to each pay \$20,000 fines.

According to Sharis A. Pozen, Acting Assistant Attorney General in charge of the Department of Justice Antitrust Division, the total amount of fines from this investigation “already surpasses the total amount in criminal fines obtained by the division for all of last fiscal year.”

In fact, in the last decade, the total amount of criminal fines imposed in Antitrust Division cases has only surpassed three-quarters of a billion dollars once in Fiscal Year (FY) 2009.

Second Largest Criminal Antitrust Fine

These latest fines also are remarkable because the \$470 million fine against Yazaki is the second largest criminal fine ever obtained for a Sherman Act antitrust violation. That honor had previously been held by Samsung Electronics Company, a Korean manufacturer of dynamic random access memory (DRAM). Samsung was fined \$300 million for its role in an international conspiracy to fix prices in the DRAM market.

A \$500 million fine against F. Hoffmann-La Roche for its role in a vitamin cartel remains the largest ever imposed in a federal antitrust enforcement action. That fine has held that title since 1999.

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