Auto Parts Firm To Pay $200M For Price Fixing

Pete Yost, Associated Press

WASHINGTON (AP) — A Tokyo-headquartered auto parts supplier has agreed to plead guilty and pay a $200 million fine in what the Justice Department said Thursday is an investigation of an international price-fixing and bid-rigging cartel .

Because Furukawa Electric Co. Ltd. and three of its executives conspired with competitors, "automobile manufacturers paid noncompetitive and higher prices for parts in cars sold to U.S. consumers," said Sharis Pozen, the acting assistant attorney general for the Justice Department's antitrust division. Furukawa supplies automotive wire harnesses and other products.

For more than a decade starting in January 2000, Furukawa conspired with other members of the cartel to allocate the supply of wire harnesses to car manufacturers "on a model-by-model basis," Pozen told reporters at a news conference.

Asked if prices were fixed and bids rigged for other auto parts, Pozen would only say the investigation is "broad."

The case is the first resulting from what the Pozen stressed is a criminal investigation still in progress.

The three Furukawa executives who have agreed to plead guilty will serve prison time in the U.S ranging from a year and a day to 18 months, the Justice Department announced.

Court papers filed in federal court in Detroit identified the three executives as Junichi Funo, Hirotsugu Nagata and Tetsuya Ukai.

Funo worked in the Honda sales division of Furukawa in Japan and in the United States as a sales representative, assistant general manager and manager. Nata worked for a Furukawa subsidiary in the United States. Ukai worked in Japan in the Honda sales division of Furukawa.

Harnesses are electrical distribution systems that control electronic components, wiring and circuit boards.

The company and the three executives are each charged with conspiring to violate the Sherman Act in restraint of trade.

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