

Department of Justice

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Japanese Freight Forwarder Agrees to Plead Guilty to Criminal Price-Fixing Charges
Company Agrees to Pay a \$2.3 Million Criminal Fine

WASHINGTON – A Japanese freight forwarding company has agreed to plead guilty and to pay a \$2.3 million criminal fine for its role in a conspiracy to fix certain fees in connection with the provision of freight forwarding services for air cargo shipments from Japan to the United States, the Department of Justice announced today.

Including today's charge, as a result of this investigation, 14 companies have either pleaded guilty or agreed to plead guilty and to pay more than \$100 million in criminal fines.

According to the one count felony charge filed today in the U.S. District Court for the District of Columbia, Yamato Global Logistics Japan Co. Ltd. engaged in a conspiracy to fix and to impose certain freight forwarding service fees, including fuel surcharges and various security fees, charged to customers for services provided in connection with freight forwarding shipments of cargo shipped by air from Japan to the United States from about September 2002 until at least November 2007.

As part of the plea agreement, which will be subject to court approval, Yamato Global Logistics Japan Co. Ltd. has agreed to pay a criminal fine of \$2,326,774 and to cooperate with the department's ongoing antitrust investigation.

"Consumers ultimately were forced to pay higher prices on the goods they buy every day as a result of the noncompetitive and collusive service fees charged by these companies," said Scott D. Hammond, Deputy Assistant Attorney General for the Antitrust Division's criminal enforcement program. "Prosecuting these kinds of global price-fixing conspiracies continues to be a high priority of the Antitrust Division."

According to the charges, the company carried out the conspiracy by, among other things, agreeing during meetings and discussions to coordinate and impose certain freight forwarding service fees and charges on customers purchasing freight forwarding services for cargo shipped by air from Japan to the United States. The department said the company levied freight forwarding service fees in accordance with the agreements reached and engaged in meetings and discussions for the purpose of monitoring and enforcing adherence to the agreed-upon freight forwarding service fees.

Freight forwarders manage the domestic and international delivery of cargo for customers by receiving, packaging, preparing and warehousing cargo freight, arranging for cargo shipment through transportation providers such as air carriers, preparing shipment documentation and providing related ancillary services.

The company is charged with price fixing in violation of the Sherman Act, which carries a maximum \$100 million fine for corporations. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charges are the result of a joint investigation into the freight forwarding industry being conducted by the Antitrust Division's National Criminal Enforcement Section, the FBI's Washington Field Office and the Department of Commerce's Office of Inspector General. Anyone

with information concerning price fixing or other anticompetitive conduct in the freight forwarding industry is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694 or visit www.justice.gov/atr/contract/newcase.htm or call the FBI's Washington Field Office at 202-278-2000.

12-1131

Antitrust Division