

SEP 15 2011

David J. Bradley, Clerk of Court

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

UNITED STATES OF AMERICA )  
 )  
 )  
 v. )  
 )  
 BRIDGESTONE CORPORATION, )  
 )  
 Defendant. )  
 \_\_\_\_\_ )

Criminal No. \_\_\_\_\_

CRIMINAL INFORMATION

The United States charges that:

BACKGROUND

1. Beginning at least as early as January 1999 and continuing until in or around May 2007 (the "Relevant Period"), the defendant, BRIDGESTONE CORPORATION ("BRIDGESTONE"), was an entity organized and existing under the laws of Japan, with its principal place of business in Tokyo, Japan. During the Relevant Period, BRIDGESTONE'S business included the manufacture and sale of diversified products. BRIDGESTONE'S Diversified Products segment comprised various divisions, including Industrial Products, Chemical Products, and Electro-Materials. The International Engineered Products Department ("IEPD") was part of the Industrial Products Division. IEPD was responsible for the export and sales of marine hose and other industrial products, including marine fenders, conveyor belts, and rubber dams. Marine hose is a flexible rubber hose used to transfer oil between tankers and storage facilities and/or buoys. Typically, IEPD did not conduct direct sales, but rather coordinated with BRIDGESTONE's subsidiaries. IEPD, with the help of BRIDGESTONE's

subsidiaries, utilized local agents to sell its products in a number of countries, including in Latin America.

2. During the Relevant Period, BRIDGESTONE'S U.S. subsidiary, Bridgestone Industrial Products of America Inc. ("BIPA"), was headquartered in the United States and sold marine hose and other industrial products in North, Central and South America. BIPA's Houston, Texas office sold marine hose and other industrial products to customers in Latin America.

**COUNT 1**

Conspiracy to Violate the Sherman Act  
(15 U.S.C. § 1)

**DESCRIPTION OF THE OFFENSE**

3. Paragraphs 1 and 2 are realleged and incorporated by reference as though fully set forth herein.

4. Beginning at least as early as 1999 and continuing until in or around May 2007, the exact dates being unknown to the United States, in Houston, Texas in the Southern District of Texas, and elsewhere, the defendant,

**BRIDGESTONE CORPORATION,**

did enter into and engage in a combination and conspiracy to suppress and eliminate competition by rigging bids, fixing prices and allocating market shares for sales of marine hose in the United States and elsewhere. The combination and conspiracy engaged in by the defendant and 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).

5. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant and co-conspirators, the substantial

terms of which were to rig bids, fix prices and allocate market shares for sales of marine hose in the United States and elsewhere.

MEANS AND METHODS OF THE CONSPIRACY

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

- (a) attended meetings and engaged in discussions in the United States and elsewhere by telephone, facsimile and electronic mail regarding the sale of marine hose;
- (b) agreed during those meetings and discussions to allocate shares of the marine hose market among the conspirators;
- (c) agreed during those meetings and discussions to a price list for marine hose in order to implement and monitor the conspiracy;
- (d) agreed during those meetings and discussions not to compete for one another's customers, either by not submitting prices or bids to certain customers or by submitting intentionally high prices or bids to certain customers;
- (e) submitted bids in accordance with the agreements reached;
- (f) provided information received from customers in the United States and elsewhere about upcoming marine hose jobs to a co-conspirator who was not an employee of any of the marine hose manufacturers, but who served as the coordinator of the conspiracy, acted as a clearinghouse for information to be shared among the conspirators, and was paid by the

- manufacturers for coordinating the conspiracy;
- (g) received marine hose prices for customers in the United States and elsewhere from the co-conspirator coordinator of the conspiracy;
  - (h) sold marine hose to customers in the United States and elsewhere at collusive and noncompetitive prices pursuant to the agreements reached;
  - (i) accepted payment for marine hose sold in the United States and elsewhere at collusive and noncompetitive prices;
  - (j) concealed the conspiracy and conspiratorial contacts through various means, including the use of code names and private email accounts and telephone numbers.

#### CO-CONSPIRATORS

7. Various corporations and individuals, not made defendants in this Information, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

8. Whenever in this Information reference is made to any act, deed or transaction of any corporation, the allegation means that the corporation 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.

#### TRADE AND COMMERCE

9. During the period covered by this Count, BRIDGESTONE and its co-conspirators shipped marine hose in a continuous and uninterrupted flow of interstate and foreign commerce across state lines in the United States and from locations outside the United States to companies located in the United States. In addition, substantial quantities of related equipment, as well as

payments for marine hose, traveled in interstate and foreign commerce. The victims of this conspiracy included companies involved in the off-shore extraction and/or transportation of petroleum products, as well as the United States Department of Defense.

10. During the period covered by this Count, the business activities of the defendant and its co-conspirators in connection with the manufacture and/or sale of marine hose that are the subject of this Count were within the flow of, and substantially affected, interstate and foreign trade and commerce. During the conspiracy, the defendant and its co-conspirators sold hundreds of millions of dollars worth of marine hose and related products in the United States and elsewhere.

#### JURISDICTION AND VENUE

11. The combination and conspiracy charged in this Count was carried out, in part, within the Southern District of Texas within the five years preceding the filing of this Information.

All in violation of Title 15, United States Code, Section 1.

**COUNT 2**  
Conspiracy to Violate the Foreign Corrupt Practices Act  
(18 U.S.C. § 371)

12. Paragraphs 1 and 2 are realleged and incorporated by reference as though fully set forth herein.

13. The Foreign Corrupt Practices Act of 1977, as amended, Title 15, United States Code, Section 78dd-1, *et seq.* (“FCPA”), was enacted by Congress for the purpose of, among other things, making it unlawful for certain classes of persons and entities to act corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign government official for the purpose of assisting in obtaining or retaining business for, or directing business to, any person.

14. From at least as early as 1999 and continuing until in or around May 2007, the exact date being unknown to the United States, in the Southern District of Texas and elsewhere, the defendant,

**BRIDGESTONE CORPORATION,**

did unlawfully, willfully and knowingly combine, conspire, confederate, and agree with BIPA employees and agents and others, known and unknown, to commit offenses against the United States, that is, being a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(a), while in the territory of the United States, to willfully make use of the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of any money, offer, gift, promise to give, and authorization of the giving of anything of value to any foreign officials, and to any person while knowing that all or a portion of such money or thing of value would be or had been offered, given, or promised, directly or indirectly, to foreign officials, for purposes of: (1)

influencing acts and decisions of such foreign officials in their official capacities; (2) inducing such foreign officials to do and omit to do acts in violation of the lawful duty of such officials; (3) securing an improper advantage; and (4) inducing such foreign officials to use their influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities, in order to assist BRIDGESTONE in obtaining and retaining business for and with, and directing business to, BRIDGESTONE, BIPA, and others, in violation of Title 15, United States Code, Section 78dd-3.

#### PURPOSE OF THE CONSPIRACY

15. The purpose and object of the conspiracy was to obtain and retain for BRIDGESTONE'S IEPD business millions of dollars of sales of marine hose and other industrial products by making corrupt payments to foreign government officials in Latin America and elsewhere.

#### MANNER AND MEANS OF THE CONSPIRACY

16. BRIDGESTONE and its co-conspirators employed various manner and means to carry out the conspiracy, including but not limited to the following:

- (a) contracted with local sales agents in many of the Latin American countries where BRIDGESTONE sought IEPD sales;
- (b) developed relationships with employees of the state-owned entities with which BRIDGESTONE sought to do business;
- (c) negotiated with employees of state-owned entities who were "foreign officials" under the FCPA, in Mexico and other Latin American countries, to make corrupt payments to those foreign officials to secure business for BRIDGESTONE and BIPA;

- (d) approved the making of corrupt payments to the foreign officials through the local sales agents to secure business for BRIDGESTONE and BIPA;
- (e) paid local sales agents commissions within which BIPA included corrupt payments to be paid to the foreign officials;
- (f) coordinated these corrupt payments in Latin America through BRIDGESTONE'S agents in the United States located in BIPA's offices, including in Houston, Texas; and
- (g) took steps to conceal these payments, including, in some instances, writing "Read and Destroy" on facsimiles that contained information related to the corrupt payments and, in other instances, using verbal communication rather than written communication to avoid creating written record.

#### OVERT ACTS

17. In furtherance of the conspiracy and to achieve its purpose and object, at least one of the co-conspirators committed or caused to be committed, in the Southern District of Texas, and elsewhere, the following overt acts, among others:

- (a) On or about May 31, 2004, the marine hose section manager of IEPD in Japan sent an e-mail to a BIPA employee in Houston, Texas, in connection with instructions for how the BIPA employee's "source" at Petroleos Mexicanos ("PEMEX") should assist BRIDGESTONE in securing a potential project with PEMEX.
- (b) On or about June 23, 2004, a Person in Charge of the marine hose section within IEPD in Japan e-mailed a BIPA employee in Houston, Texas, in connection with a potential project with PEMEX, instructing the employee



to “not mention any commission issue in your mails from now on” and instead to “communicate by tel or fax about this issue.”

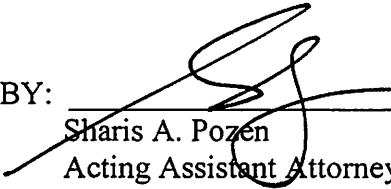
- (c) On or about October 17, 2005, a BIPA employee in Houston, Texas, sent an e-mail to a Person in Charge of the marine hose section within IEPD in Japan suggesting that they invite an employee from PEMEX to Japan to strengthen the relationship and “have him at our side.”
- (d) On or about September 5, 2006, a BIPA employee in Houston, Texas, faxed a printed out e-mail to a Person in Charge of the marine hose section within IEPD in Japan regarding a project with PEMEX, which noted that 24% should be reserved for commissions, including 5% for “top level” and 5% for other employees from the customer, and included an instruction to “\*\*READ AND DESTROY\*\*.”
- (e) On or about September 19, 2006, a BIPA employee in Houston, Texas, sent an e-mail to a Person in Charge of the marine hose section within IEPD in Japan providing confidential information that the BIPA employee had received from employees of PEMEX regarding the bidding for a project with that customer.
- (f) On or about September 19, 2006, a BIPA employee in Houston, Texas, and a Person in Charge of the marine hose section within IEPD in Japan communicated via e-mail regarding which employees from PEMEX could help BRIDGESTONE more easily obtain future projects with the customer.
- (g) On or about September 19, 2006, a BIPA employee in Houston, Texas,

sent an e-mail to a Person in Charge of the marine hose section within IEPD in Japan stating the steps that certain employees from PEMEX were taking to ensure that BRIDGESTONE secured a project with that customer.

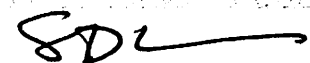
- (h) On or about January 25, 2007, BIPA sent an invoice from its office in Nashville, Tennessee, via mail to PEMEX in the amount of \$324,200 in connection with a project secured with the help of employees of the customer who were to receive "commission" payments from BRIDGESTONE.


All in violation of Title 18, United States Code, Section 371.


Dated:


BY:   
Sharis A. Pozen  
Acting Assistant Attorney General

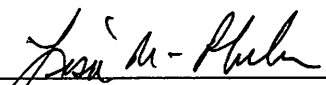
Denis J. McNerney  
Chief, Fraud Section  
Criminal Division  
United States Department of Justice

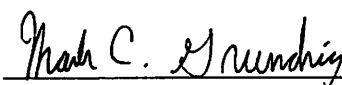
BY:   
Scott D. Hammond  
Deputy Assistant Attorney General

BY:   
William J. Stuckwisch  
Assistant Chief  
Criminal Division  
U.S. Department of Justice  
1400 New York Avenue NW  
Washington, DC 20530

BY:   
John F. Terzaken  
Director of Criminal Enforcement  
Antitrust Division  
United States Department of Justice

BY:   
Daniel S. Kahn  
Trial Attorney  
Criminal Division  
U.S. Department of Justice  
1400 New York Avenue NW  
Washington, DC 20530

BY:   
Lisa M. Phelan  
Chief  
National Criminal Enforcement Section

BY:   
Mark C. Grundvig  
Craig Y. Lee  
Attorneys  
Antitrust Division  
U.S. Department of Justice  
National Criminal Enforcement Section  
450 5th Street, NW, Suite 11300  
Washington, DC 20530