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October 17, 2017

The Honorable Jefferson B. Sessions III
Attorney General of the United States
Robert F. Kennedy Building
950 Pennsylvania Avenue NW
Washington, DC 20530

Dear Attorney General Sessions:

I write regarding the recent revelations of Kobe Steel's staggering corporate cover-up scandal. By Kobe Steel's own admission, the company and at least four of its international subsidiaries have falsified data and failed to perform required quality checks for products dating back more than a decade. It is estimated that Kobe Steel provided substandard aluminum, copper, and steel to about 500 companies, including aircraft, electronics, car and bullet train manufacturers, and suppliers for the nuclear-power industry. These companies – spanning across the transportation and energy sector – typically manufacture products to exacting specifications, and for which any deviations can have serious safety consequences.

The Department of Justice (DOJ) plays an important role in investigating wrongdoing by companies like Kobe Steel. When we met prior to your confirmation hearing this year, you told me that you wanted to aggressively pursue white collar crimes. The recent allegations against Kobe Steel clearly seem to fit a pattern of illegal business practices, and I am pleased that the Department has already initiated requests for information from Kobe Steel. I urge you to direct the Department to conduct a swift and thorough investigation into any civil or criminal wrongdoing by the company. The DOJ has a duty to protect American companies and their customers from such intentional and fraudulent deception.

Furthermore, Kobe Steel's concealment almost certainly harmed U.S. consumers directly. Six of Kobe Steel's top seven customers are automakers – Mitsubishi, Toyota, GM, Ford, Nissan, and Honda. Two of these are U.S. automakers and the other four have substantial manufacturing and/or sales in the United States.¹ Tesla is also While I am aware of no company having yet flagged serious safety concerns as a result of the compromised metal products supplied by Kobe Steel, it may take time for such defects to be realized or for the safety issues to manifest. Regardless of whether or when such safety concerns become noticeable, this doesn't change the fact that U.S. companies paid for quality products not received. With at least six automakers affected by this scandal, it is highly likely many consumers who purchased vehicles

¹ Lewis, L. et al. (2017 October 15). Kobe Steel scandal strikes another blow to Japan Inc. *The Financial Times*. Retrieved from <https://www.ft.com/content/054b9260-b18b-11e7-a398-73d59db9e399>

in the past ten years were harmed by Kobe Steel's deceit. Accordingly, I further ask that you seek restitution for affected companies and consumers, if appropriate.

While it so far appears no U.S. subsidiaries of Kobe Steel have yet been directly implicated, Kobe Steel does have U.S. headquarters in Detroit, Michigan, and I urge you to investigate whether they may also have been complicit in this fraud.

Thank you in advance for your prompt attention to this important matter potentially compromising consumer and passenger safety. I respectfully request a response no later than November 10, 2017.

Sincerely,

A handwritten signature in blue ink, reading "Richard Blumenthal". The signature is fluid and cursive, with a prominent "R" and "B".

Richard Blumenthal
United States Senate