



Department of Justice

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FORMER SHIPPING EXECUTIVE SENTENCED TO 48 MONTHS IN JAIL FOR HIS ROLE IN ANTITRUST CONSPIRACY

Sentence is Longest Jail Term Ever Imposed for a Single Antitrust Violation

WASHINGTON — A former high-level shipping executive was sentenced today to serve 48 months in jail and to pay a \$20,000 criminal fine for his role in an antitrust conspiracy involving the transportation of goods to and from the continental United States and Puerto Rico by ocean vessel, the Department of Justice announced today. This is the longest jail sentence ever imposed for a single antitrust charge.

Peter Baci of Jacksonville, Fla., pleaded guilty on Oct. 20, 2008, in the U.S. District Court in Jacksonville for his role in the conspiracy, which began at least as early as May 2002 and continued until as late as April 2008. Baci was charged with engaging in a conspiracy to suppress and eliminate competition in the coastal water freight transportation services between the continental United States and Puerto Rico by agreeing to allocate customers, agreeing to rig bids submitted to government and commercial buyers, and agreeing to fix the prices of rates, surcharges, and other fees charged to customers.

Related antitrust charges remain pending in the U.S. District Court in Jacksonville against three other shipping executives: R. Kevin Gill and Gregory Glova, of Charlotte, N.C. and Gabriel Serra, of San Juan, Puerto Rico. A related obstruction of justice charge is also pending against a fifth shipping executive, Alexander Chisholm, of Jacksonville.

“Today’s sentencing should make clear that individuals who violate the antitrust laws will be prosecuted to the fullest extent of the law,” said Scott D. Hammond, Acting Assistant Attorney General in charge of the Department’s Antitrust Division. “Significant jail time will be a consequence of harming consumers and competition in both the continental United States and Puerto Rico.”

Baci worked for a large U.S. company that provides freight shipping services to customers transporting goods between the continental United States and Puerto Rico. These companies transport a variety of cargo shipments, such as heavy equipment, medicine, food and consumer goods. Sales of freight services in the United States to Puerto Rico shipping lane total hundreds of millions of dollars every year, as ocean shipping is a primary way for people in Puerto Rico to receive essential goods.

In June 2004, Congress raised the maximum sentence for antitrust crimes from three years imprisonment to 10 years imprisonment. While longer jail sentences have been imposed against individuals who violated the antitrust laws together with other crimes, this case represents the first time that an individual was sentenced to more than three years for a single antitrust charge.

The current prosecution and pending charges arose from an ongoing federal antitrust investigation into bid rigging and other anticompetitive conduct in the shipping industry, which is being conducted by the National Criminal Enforcement Section of the Antitrust Division and the Jacksonville Field Office of the Federal Bureau of Investigation (FBI). Anyone with information concerning the focus of this investigation is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694, or the FBI's Jacksonville Field Office at 904-721-1211.

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