



Department of Justice

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**FOUR FORMER AIRLINE EXECUTIVES INDICTED IN CONSPIRACY TO FIX
FUEL SURCHARGES ON AIR CARGO SHIPMENTS
TO SOUTH AND CENTRAL AMERICA**

Conspiracy Alleged to Have Taken Place Following Hurricanes Katrina and Rita

WASHINGTON — A Miami grand jury returned an indictment today against four former airline executives of competing air cargo carriers for participating in a conspiracy to fix surcharges on air cargo shipments from the United States to South and Central America following Hurricanes Katrina and Rita, the Department of Justice announced today.

The one-count indictment, returned today in U.S. District Court in Miami, charges Guillermo “Willy” Cabeza, George Gonzalez, Rodrigo Hernan Hidalgo and Luis Juan Soto with conspiring to suppress and eliminate competition by agreeing to impose an increase to their fuel surcharges on air cargo shipped from the United States to locations in South and Central America. Each former airline executive is charged with participating in the conspiracy beginning in or around late September 2005 until at least November 2005.

According to the indictment, Cabeza, Gonzalez, Hidalgo and Soto, along with co-conspirators, carried out the conspiracy by engaging in discussions, including at a meeting in an office in the area of Miami’s Kendall-Tamiami Executive Airport, and agreeing to impose an increase to the fuel surcharge applied on flights from the United States to South and Central America. As part of the conspiracy, Cabeza, Gonzalez, Hidalgo, Soto and their co-conspirators engaged in communications to implement and monitor the agreement and accepted payments at collusive and noncompetitive rates.

Cabeza is the former president of a Miami-based air cargo carrier, Gonzalez is the former chief commercial officer of a Peruvian air cargo carrier, Hidalgo is the former vice president of sales and marketing of a Miami-based air cargo carrier and Soto is the former president of a Miami-based air cargo carrier.

Air cargo carriers transport a variety of cargo shipments, such as heavy equipment, perishable commodities and consumer goods, on scheduled international flights.

Cabeza, Gonzalez, Hidalgo and Soto are charged with price fixing in violation of the Sherman Act, which carries a maximum penalty for each individual of 10 years in prison and a \$1 million fine. 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.

A total of 18 airlines and 14 executives, including the four individuals charged today, have been charged in the Justice Department's ongoing investigation into price fixing in the air transportation industry. To date, more than \$1.6 billion in criminal fines have been imposed and four executives have been sentenced to serve prison time. Charges are pending against 10 executives, including the four individuals charged today.

Today's charge is the result of a joint investigation into the air transportation industry being conducted by the Antitrust Division's National Criminal Enforcement Section and the Chicago Field Office, the FBI's field offices in Miami and Washington, the Department of Transportation's Office of Inspector General and the U.S. Postal Service's Office of Inspector General. Anyone with information concerning price fixing or other anticompetitive conduct in the air transportation industry is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694 or visit www.justice.gov/atr/contact/newcase.htm, or call the FBI's Miami Field Office at 305-654-1918.

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