



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, FEBRUARY 16, 2010
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ITALIAN SUBSIDIARY OF U.S.-BASED COMPANY AGREES TO PLEAD GUILTY FOR PARTICIPATING IN INTERNATIONAL PRICE-FIXING CONSPIRACY

Company Agrees to Pay \$2.29 Million Criminal Fine

WASHINGTON — An Italian subsidiary of a U.S.-based company has agreed to plead guilty and to pay a \$2.29 million criminal fine for participating in a conspiracy to rig bids, fix prices and allocate market shares of marine hose sold in the United States and elsewhere, the Department of Justice announced today.

A one-count felony charge was filed today in U.S. District Court in Houston, against Parker ITR S.r.l., a manufacturer of marine hose, headquartered in Veniano, Italy. Under the terms of the plea agreement, which is subject to court approval, Parker ITR has agreed to pay a criminal fine and to cooperate fully in the Department's ongoing antitrust investigation. Parker ITR is the fourth company to be charged in the investigation. To date, nine individuals have been convicted for their involvement in the marine hose conspiracy.

Marine hose is a flexible rubber hose used to transfer oil between tankers and storage facilities. The victims of this conspiracy included companies involved in the off-shore extraction and/or transportation of petroleum products, as well as the U.S. Department of Defense. During the conspiracy, the cartel affected prices for hundreds of millions of dollars worth of marine hose and related products sold worldwide.

Parker ITR is charged with participating in the conspiracy from as early as 1999 until as late as May 2, 2007. According to the charge, Parker ITR and its co-conspirators agreed to allocate shares of the marine hose market and to use a price list for marine hose in order to implement the conspiracy. Parker ITR and its co-conspirators agreed not to compete for one another's customers either by not submitting prices or bids, or by submitting intentionally high prices or bids, to certain customers. As part of the conspiracy, Parker ITR and its co-conspirators provided information received from customers in the United States and elsewhere about upcoming marine hose jobs to a co-conspirator who served as the coordinator of the conspiracy. Parker ITR received marine hose prices for customers in the United States and elsewhere from the coordinator of the conspiracy and then sold the marine hose to those customers at collusive and noncompetitive prices and then concealed the conspiracy through various means, including code names, private email accounts and telephone numbers.

Parker ITR is charged with violating the Sherman Act, which carries a maximum fine of \$100 million 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 charge is an example of the department's commitment to protect U.S. taxpayers from public procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative, announced in October 2006, is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs.

The investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section, the Defense Criminal Investigative Service of the Department of Defense's Office of Inspector General, the U.S. Navy Criminal Investigative Service and the FBI. Law enforcement agencies from multiple foreign jurisdictions are also investigating or assisting in the ongoing matter.

Anyone with information concerning bid rigging or other anticompetitive conduct in the marine products industry is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694 or visit <http://www.justice.gov/atr/contact/newcase.htm>, or the Long Beach, Calif., Resident Agency of the DCIS at 562-256-2501.

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