



Department of Justice

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FORMER MARINE HOSE EXECUTIVE WHO WAS EXTRADITED TO UNITED STATES PLEADS GUILTY FOR PARTICIPATING IN WORLDWIDE BID-RIGGING CONSPIRACY

Court Sentences Executive to Serve Two Years in Prison

WASHINGTON – A former executive of a rubber hose manufacturer, who was extradited from Germany in early April 2014, today pleaded guilty and was sentenced to serve two years in prison 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.

Romano Piscioti, an Italian national and a former manager of Parker ITR Srl's Oil & Gas Business Unit, pleaded guilty in the U.S. District Court for the Southern District of Florida in Ft. Lauderdale, to a one-count felony indictment that was filed under seal on Aug. 26, 2010, and unsealed on Aug. 5, 2013.

Piscioti was extradited from Germany on April 3, 2014, in the first successfully litigated extradition on an antitrust charge. Piscioti was arrested in Germany on June 17, 2013, and made his initial appearance in U.S. District court on April 4, 2014. Piscioti will serve a total of two years in prison with credit for the nine months and 16 days he was held in the custody of the German government pending his extradition. He has also agreed to pay a \$50,000 criminal fine.

"Today's guilty plea demonstrates the Antitrust Division's ability to bring to justice those who violate antitrust laws, even when they attempt to avoid prosecution by remaining in foreign jurisdictions," said Assistant Attorney General Bill Baer in charge of the Department of Justice's Antitrust Division. "The Antitrust Division and its law enforcement partners will continue to protect consumers from cartels that affect the domestic and international economy."

Marine hose is a flexible rubber hose used to transfer oil between tankers and storage facilities. During the conspiracy, the cartel affected prices for hundreds of millions of dollars in sales of marine hose and related products sold worldwide.

According to the indictment, Piscioti carried out the conspiracy by agreeing during meetings, conversations and communications to allocate shares of the marine hose market among the conspirators; use a price list for marine hose in order to implement the conspiracy; and not compete for customers with other marine hose sellers either by not submitting prices or bids or

by submitting intentionally high prices or bids, all in accordance with the agreements reached among the conspiring companies. As part of the conspiracy, Piscioti and his conspirators provided information received from customers in the United States and elsewhere about upcoming marine hose jobs to another co-conspirator who served as a coordinator of the conspiracy. The coordinator acted as a clearinghouse for bidding information that was shared among the conspirators, and was paid by the manufacturers for coordinating the conspiracy. Piscioti recruited at least two individuals from other marine hose firms to participate in the conspiracy. The department said the conspiracy began at least as early as 1999 and continued until at least May 2007. Piscioti was charged with participating in the conspiracy from at least as early as 1999 until at least November 2006.

As a result of the department's ongoing marine hose investigation, five companies – Parker ITR; Bridgestone Corp. of Japan; Manuli SPA of Italy's Florida subsidiary; Trelleborg of France; and Dunlop Marine and Oil Ltd., of the United Kingdom – and eight other individuals have pleaded guilty and have been sentenced to serve prison terms ranging from 12 months and one day to 30 months. An additional individual was sentenced to serve six months home confinement. Indicted fugitive Uwe Bangert, a German national formerly associated with Dunlop Marine and Oil Ltd., remains at large.

The investigation is being conducted by the Antitrust Division's Washington Criminal I Section, the Defense Criminal Investigative Service (DCIS) of the Department of Defense's Office of Inspector General, the U.S. Navy Criminal Investigative Service and the FBI. The U.S. Marshals Service and other law enforcement agencies from multiple foreign jurisdictions are also investigating or assisting in the ongoing matter. The Criminal Division's Office of International Affairs and the U.S. Attorney's Office for the Southern District of Florida provided assistance.

Anyone with information concerning bid rigging or other anticompetitive conduct in the marine products industry is urged to call the Antitrust Division's Washington Criminal I Section at 202-307-6694.

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