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**CARTELS PORTRAYED:
EXECUTIVES SANCTIONED**
A 21-Year Perspective, 1990 to 2010

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Introduction

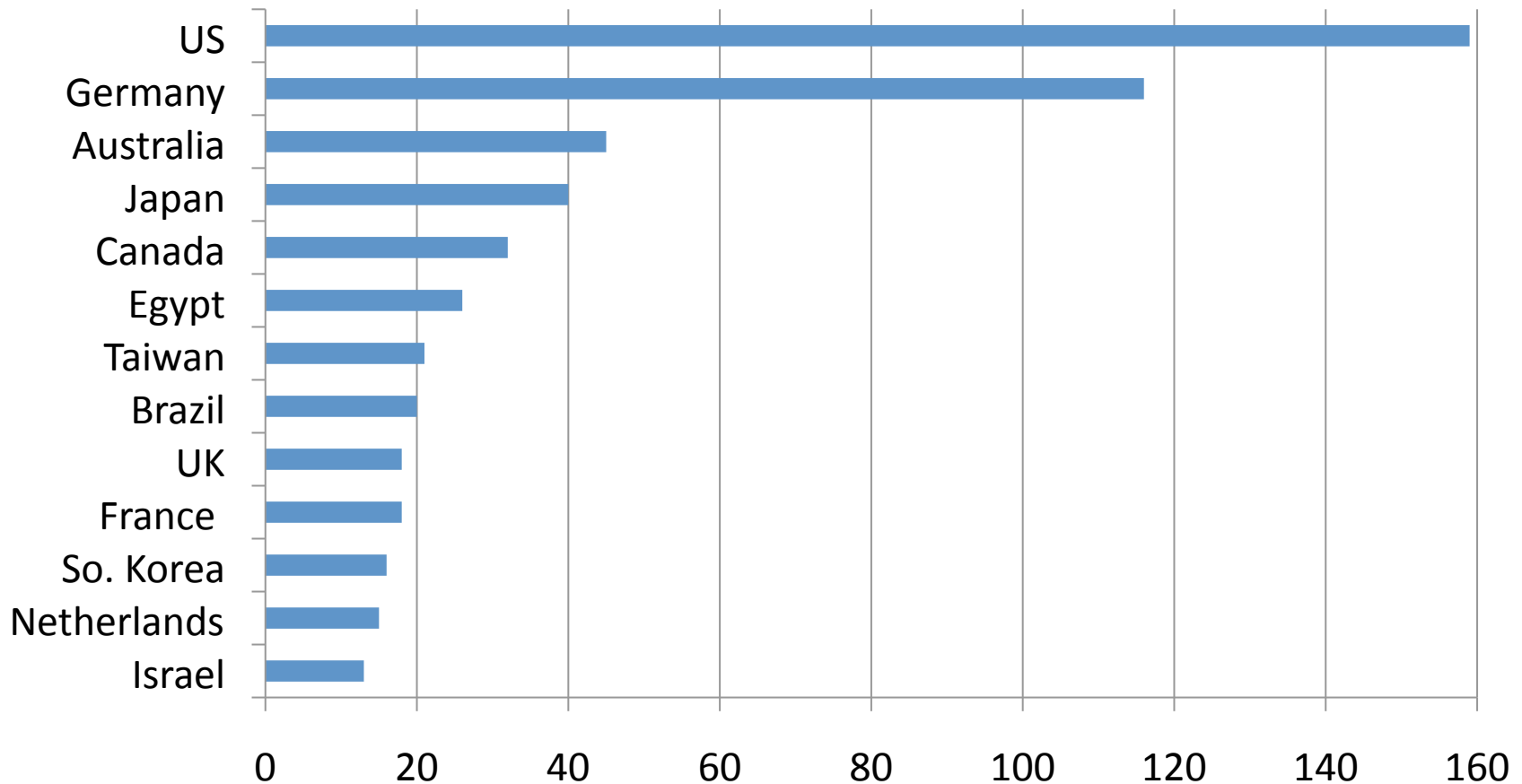
- The following charts illustrate the global size and economic impacts of the modern international cartel movement and the enforcement responses of the world's antitrust authorities and national courts.
- The sample encompasses 640 private hard-core cartels that were subject to government or private legal actions (*i.e.*, formal investigations, damages suits, fines, or consent decrees) between January 1990 and December 2010. Each cartel had participants with headquarters in two or more nations. The sample is believed to be a reasonably complete list of all *contemporary private international cartels* discovered by jurisdictions with an active press or informative antitrust-authority Web site.
- All monetary data are expressed in nominal U.S. dollars using exchange rates during the cartel's life or on the day a legal action was announced.
- A special effort is made to create charts that illustrate **trends** in cartel dimensions and antitrust decisions.

INDIVIDUALS SANCTIONED

- More than 370 managers and directors sanctioned by 15 jurisdictions in international cartels.
- US convicts with pleas; trials are few, fugitives a growing problem
- Average US fines are low & fewer are fined: median international is only \$75,000.
- The US is the dominant jurisdiction in imprisoning price fixers*
- Trend in numbers indicted at low point early 2000s
- Trends in proportion of indicted that are sanctioned is unclear.

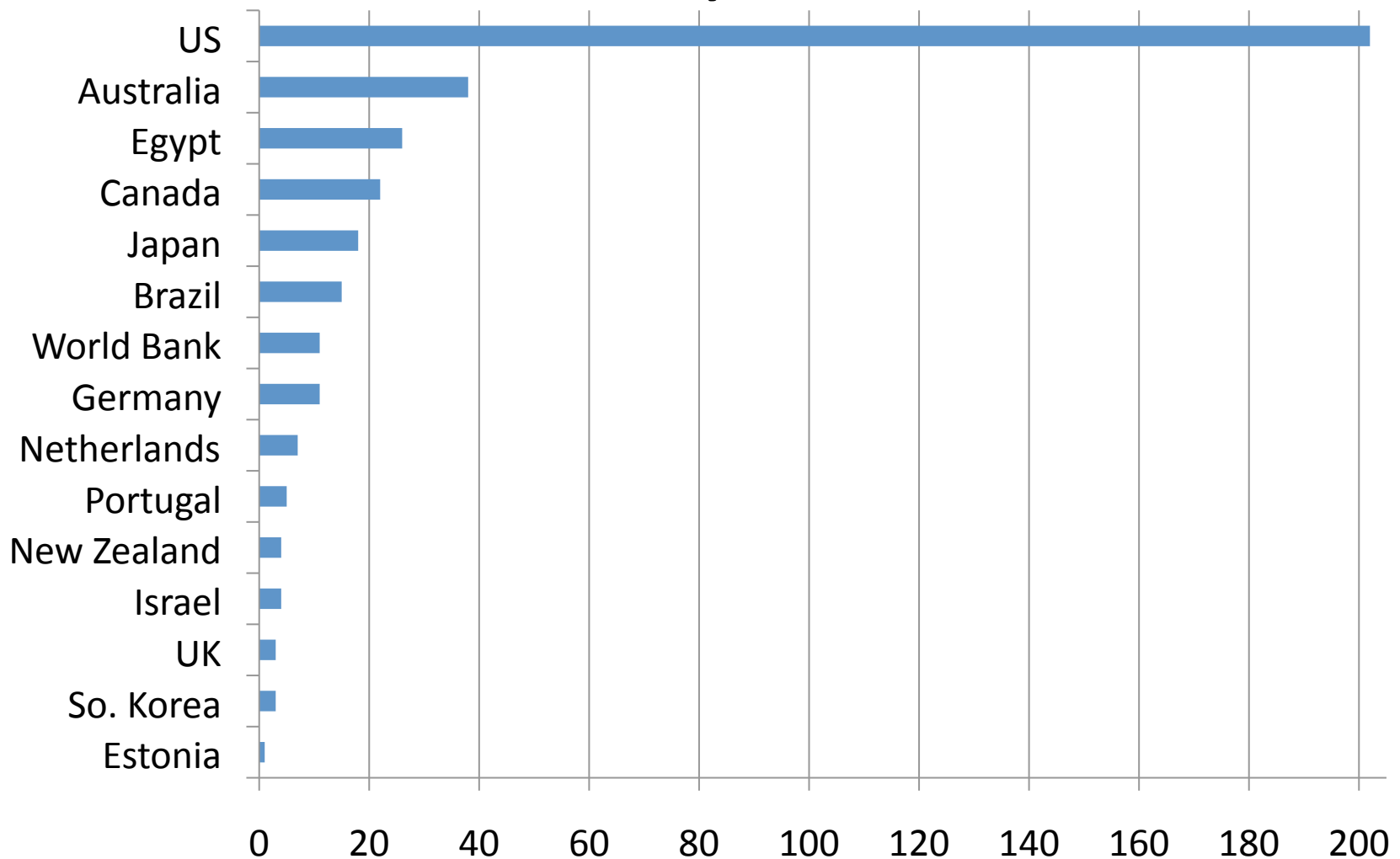
* Israel and Japan are the only other jurisdictions of significance

Number of Suspect Cartel Executives Worldwide, by Nationality

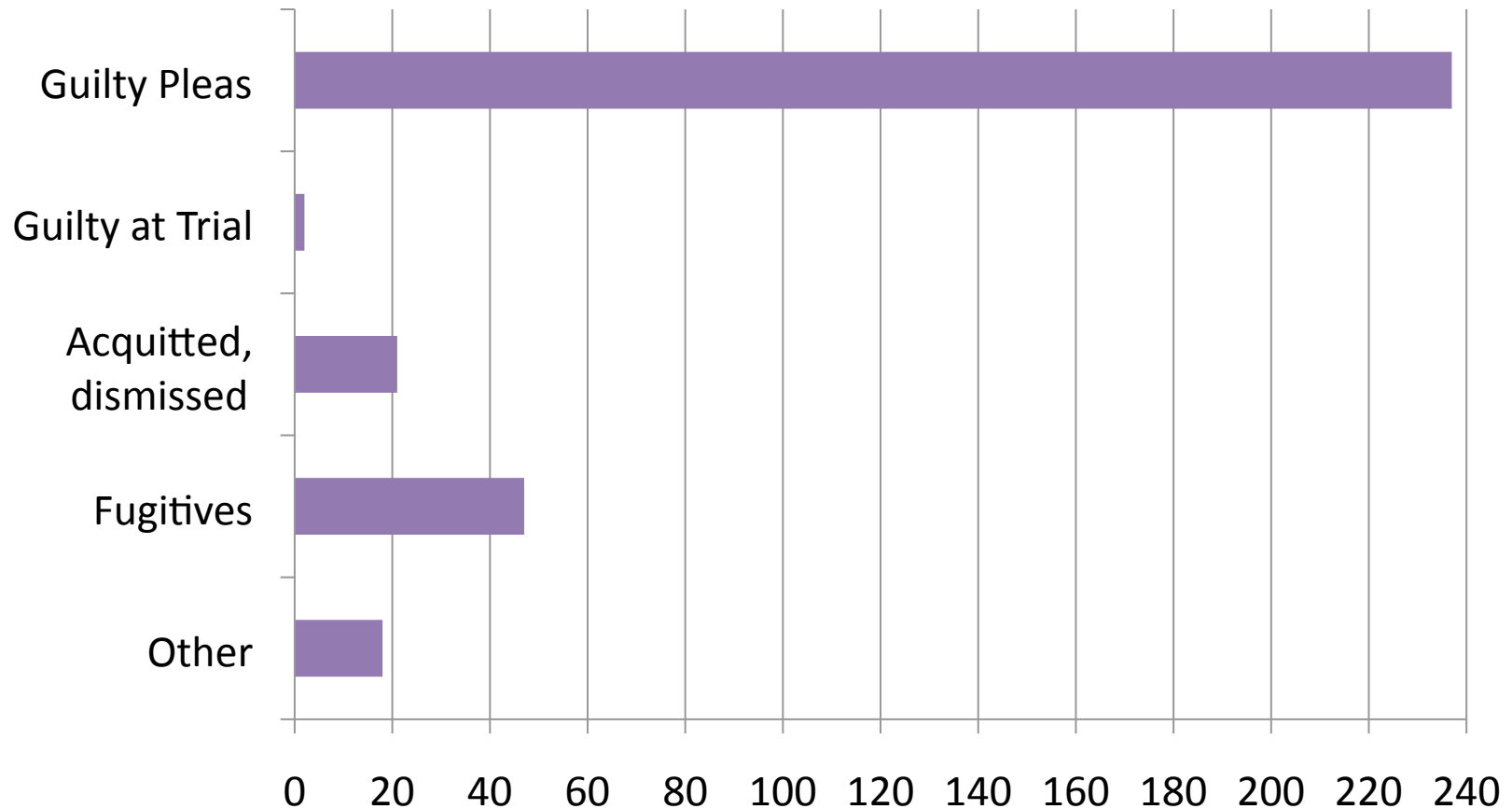


Note : Totals 583, including a few anonymous cartelists.

Number of Sanctioned Cartel Executives, by Jurisdictions

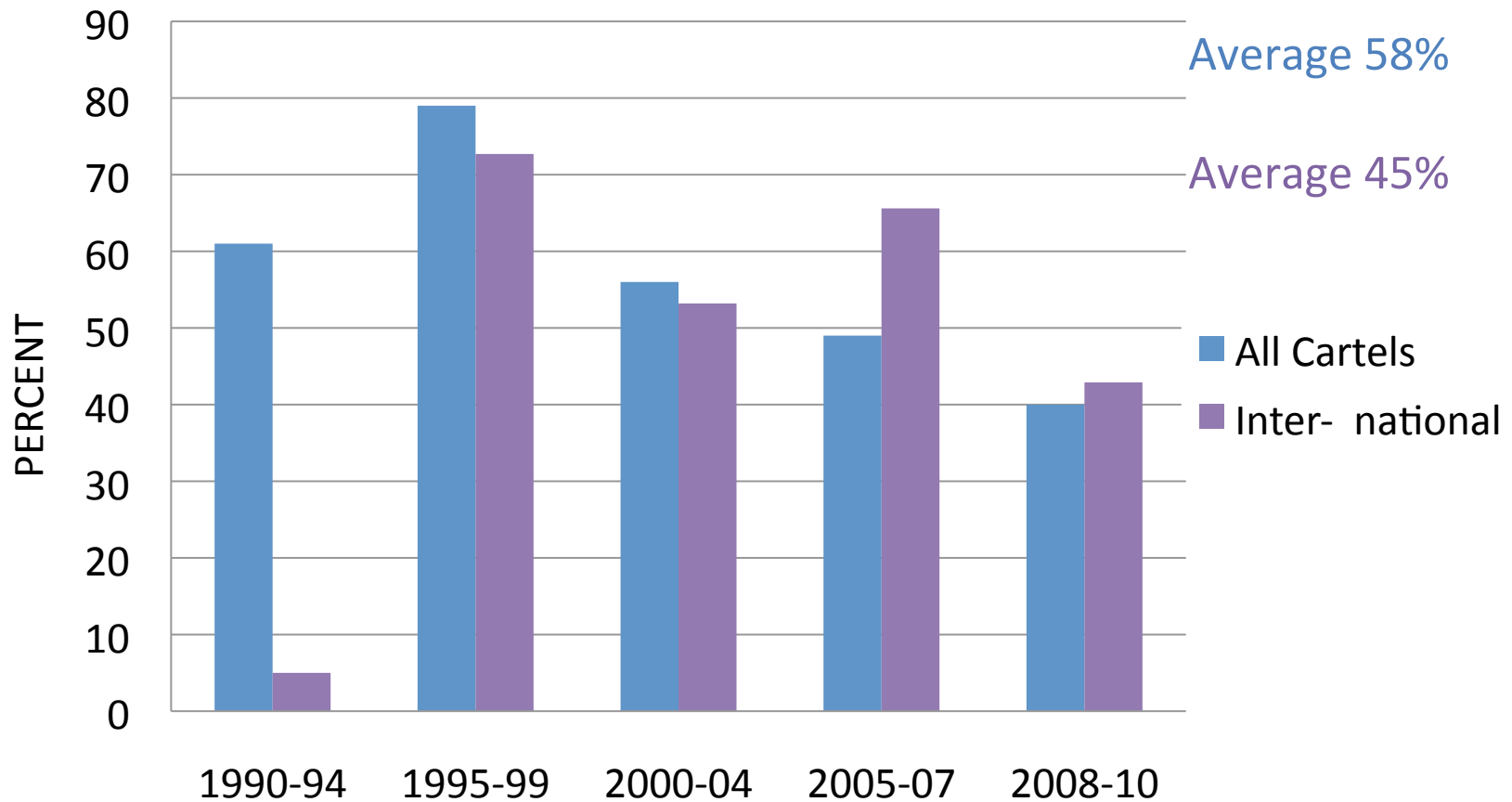


Disposition of Executives Charged by the DOJ for International Price-Fixing

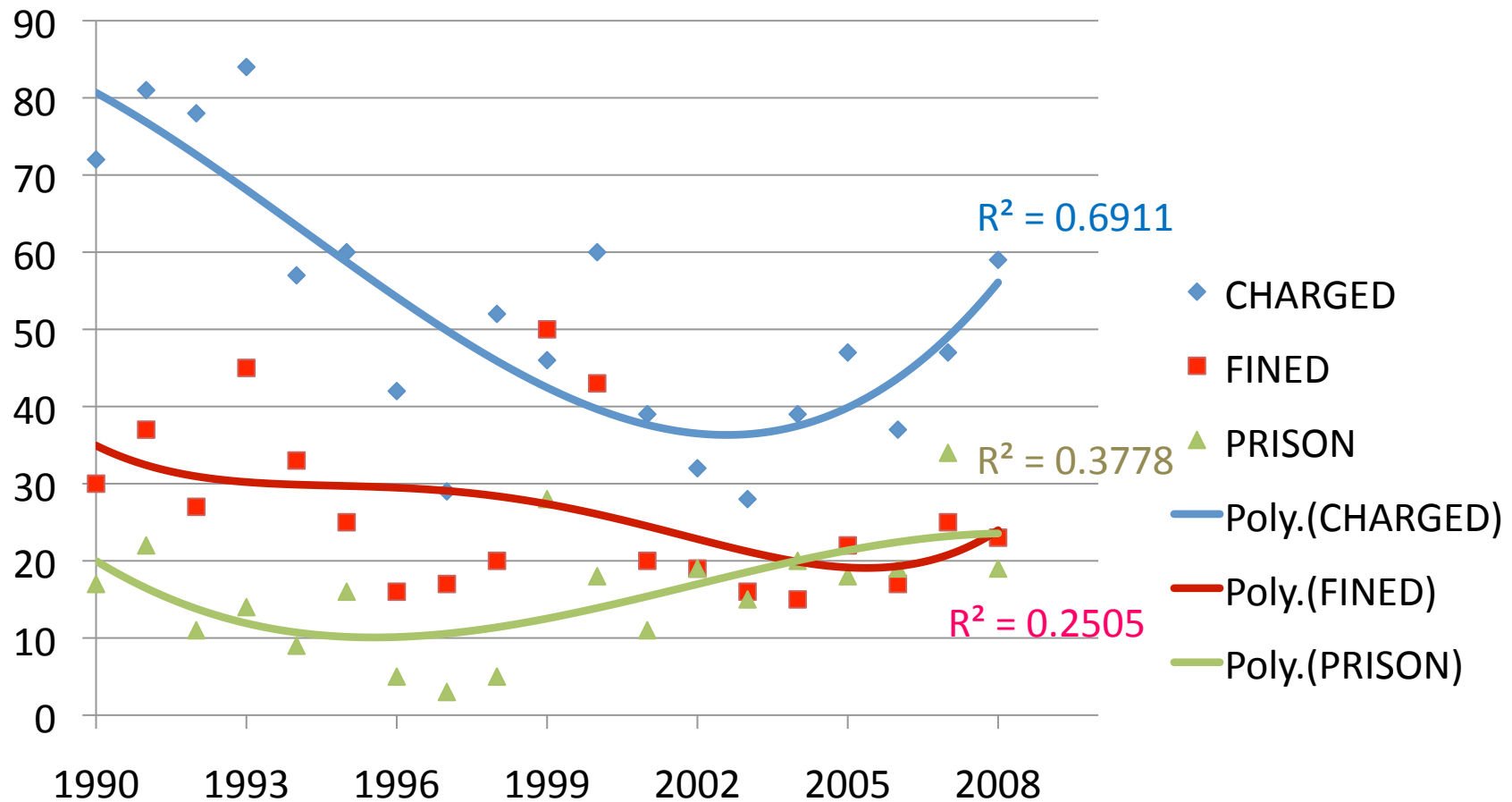


Note : Totals 325 executives from 1990 to 2010.

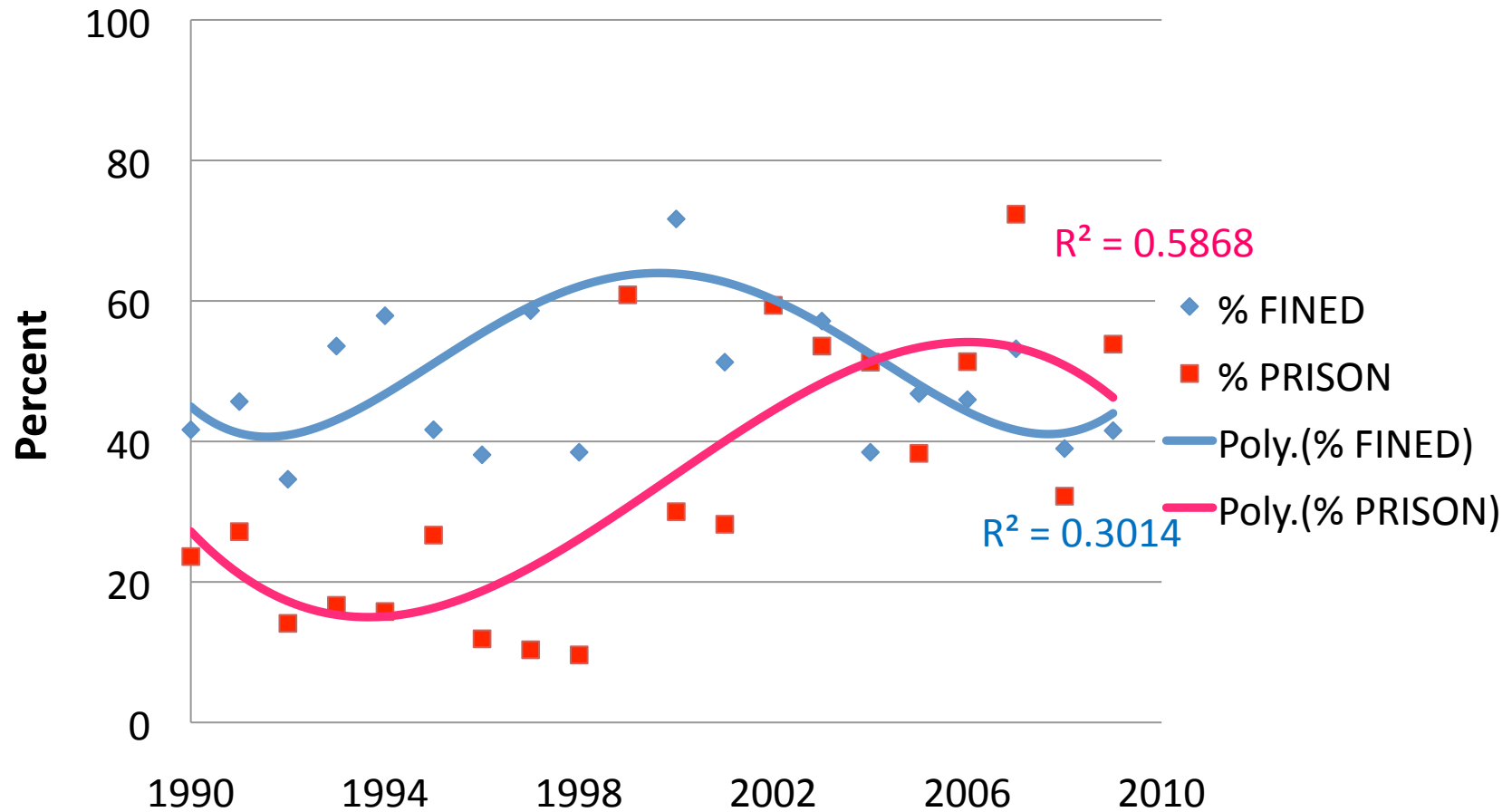
Proportion of Charged Individual Price Fixers that Are **Fined** in US, 1990-2010



Annual Number of Executives Charged and Penalized by the DOJ



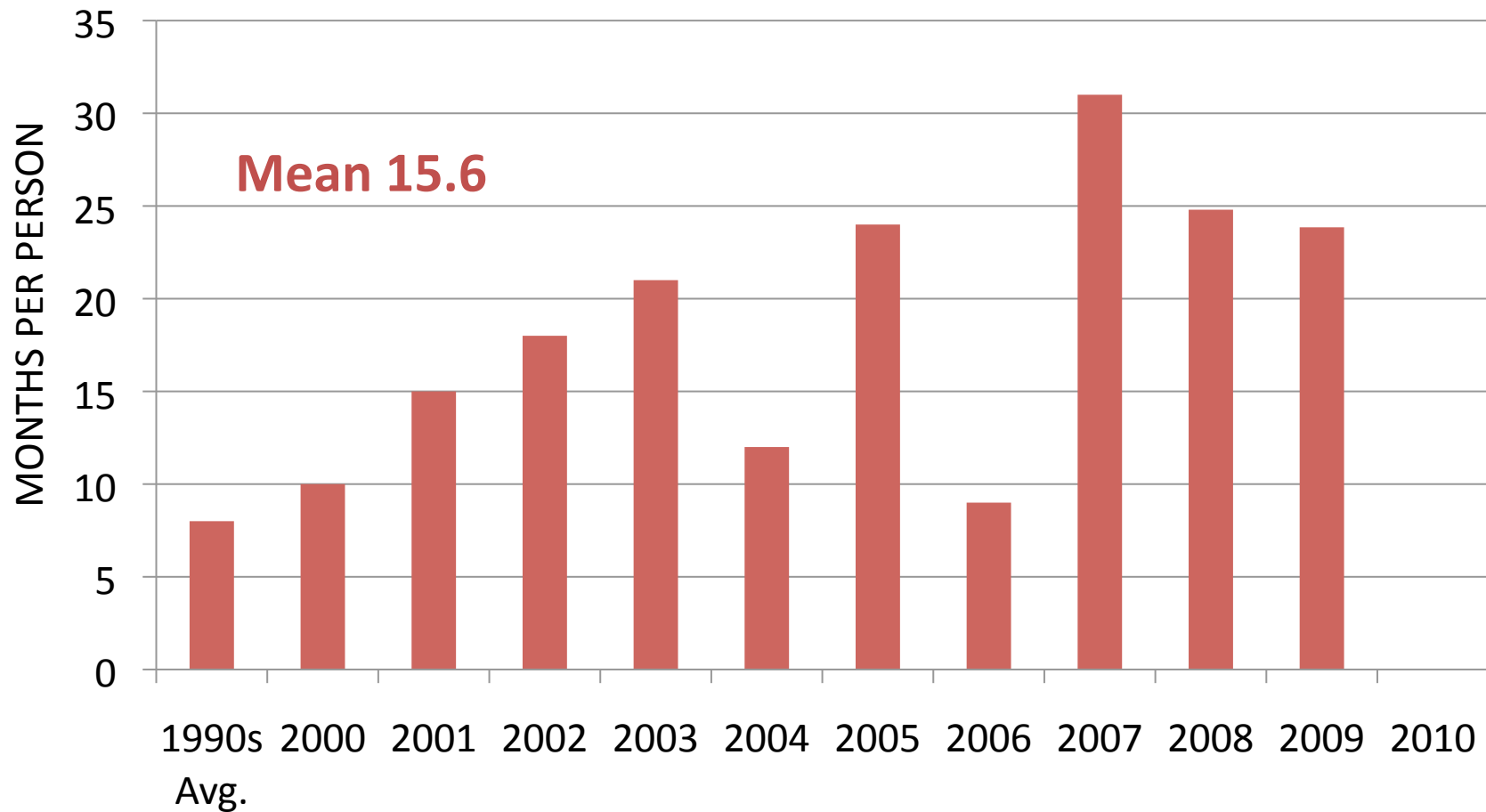
Proportion of Charged Price-Fixers Fined or Imprisoned by US



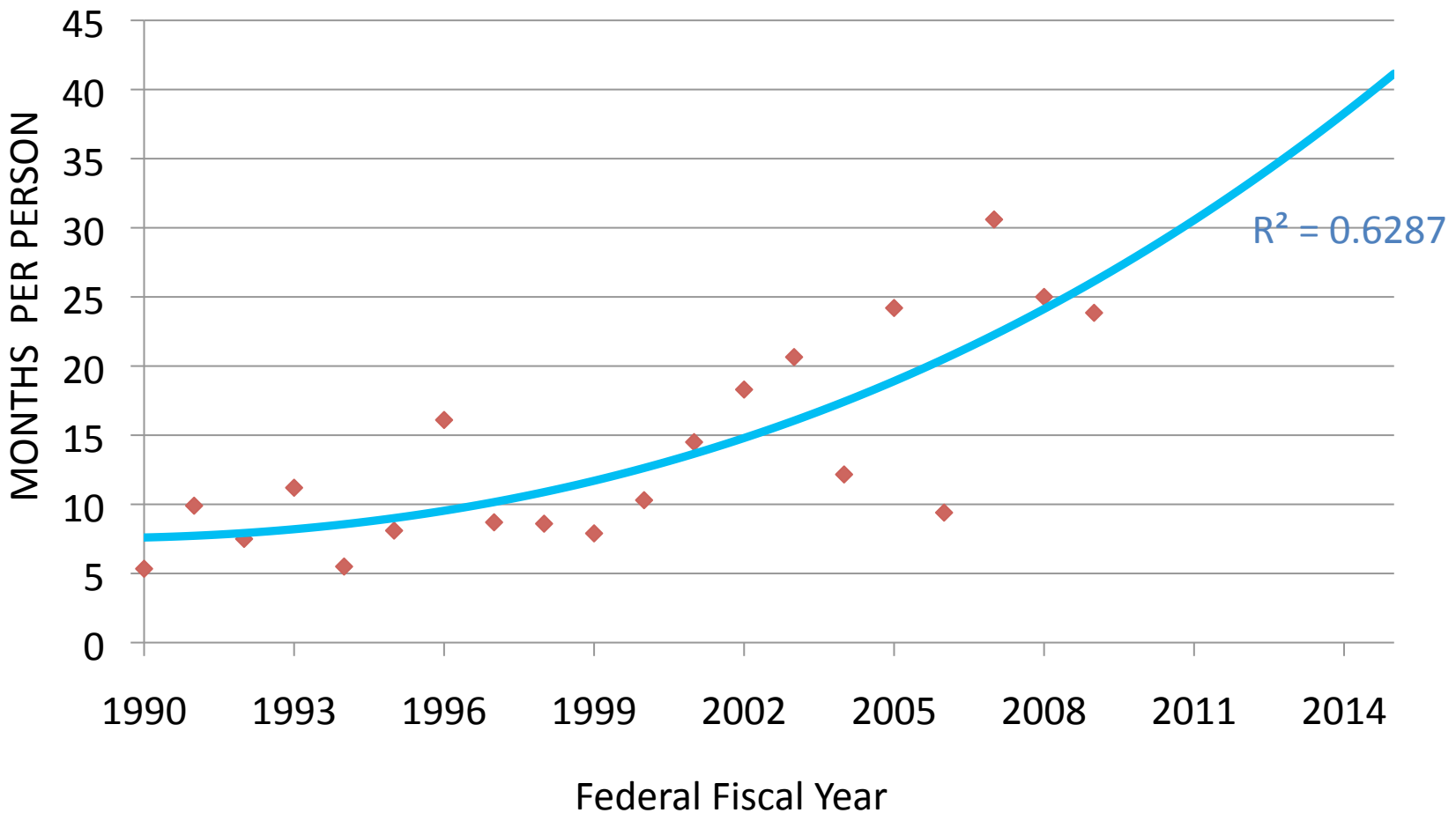
SEVERITY OF SANCTIONS

- Prison becoming more common and more severe since early 1990s.
- Mean US prison sentence for price fixing 16 months.
- At the present rate, the average will reach 40 months by 2015.
- However, median prison for **international** executives is only 10 months, and the time trend is flat.
- Fines on executives are rising and are higher for international schemes but insignificant.

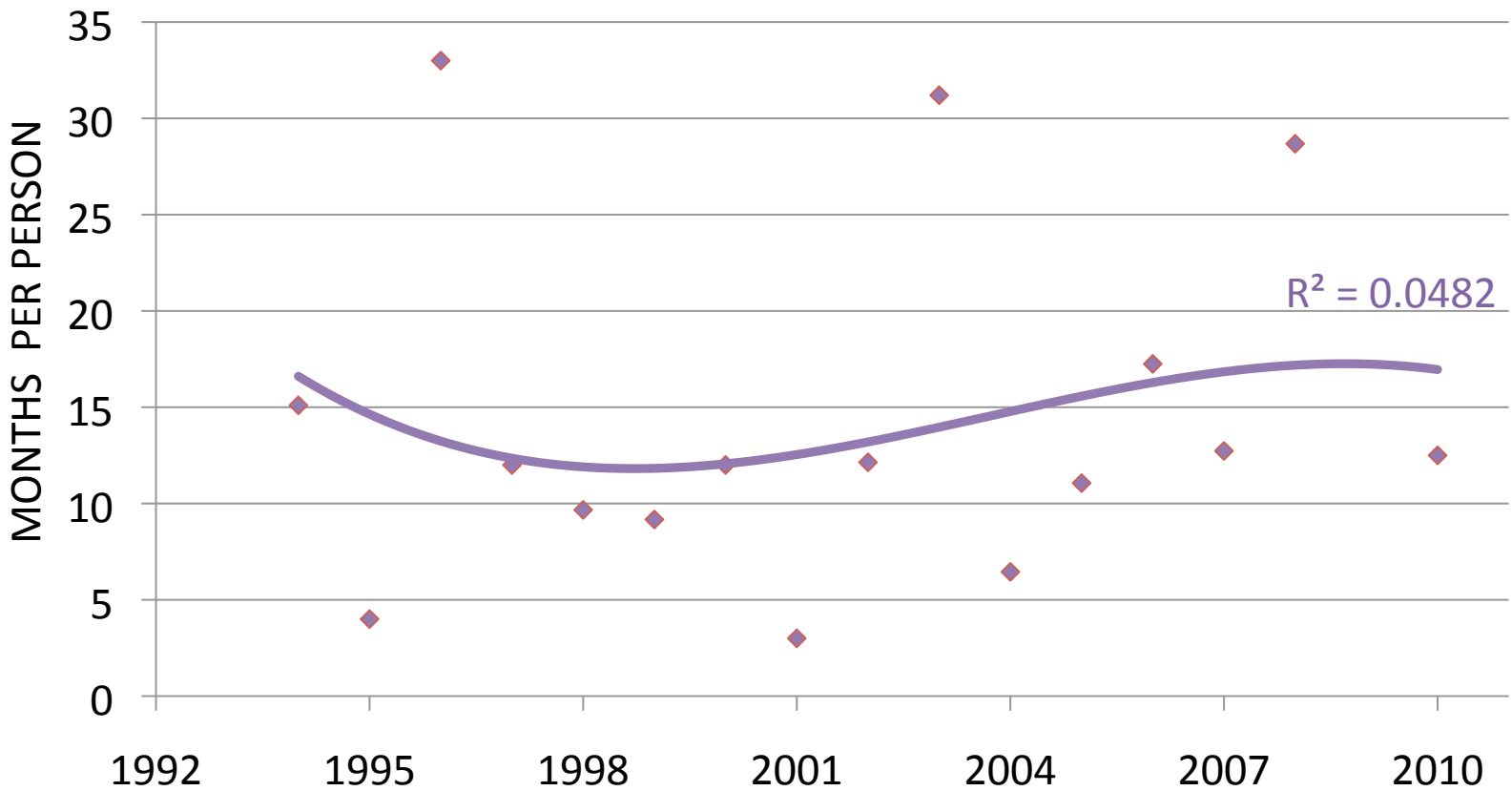
Mean Annual US **Prison Sentences** for All Price Fixers Is Rising



Upward Trend in Mean Length, US Prison Sentences for **All** Price Fixers

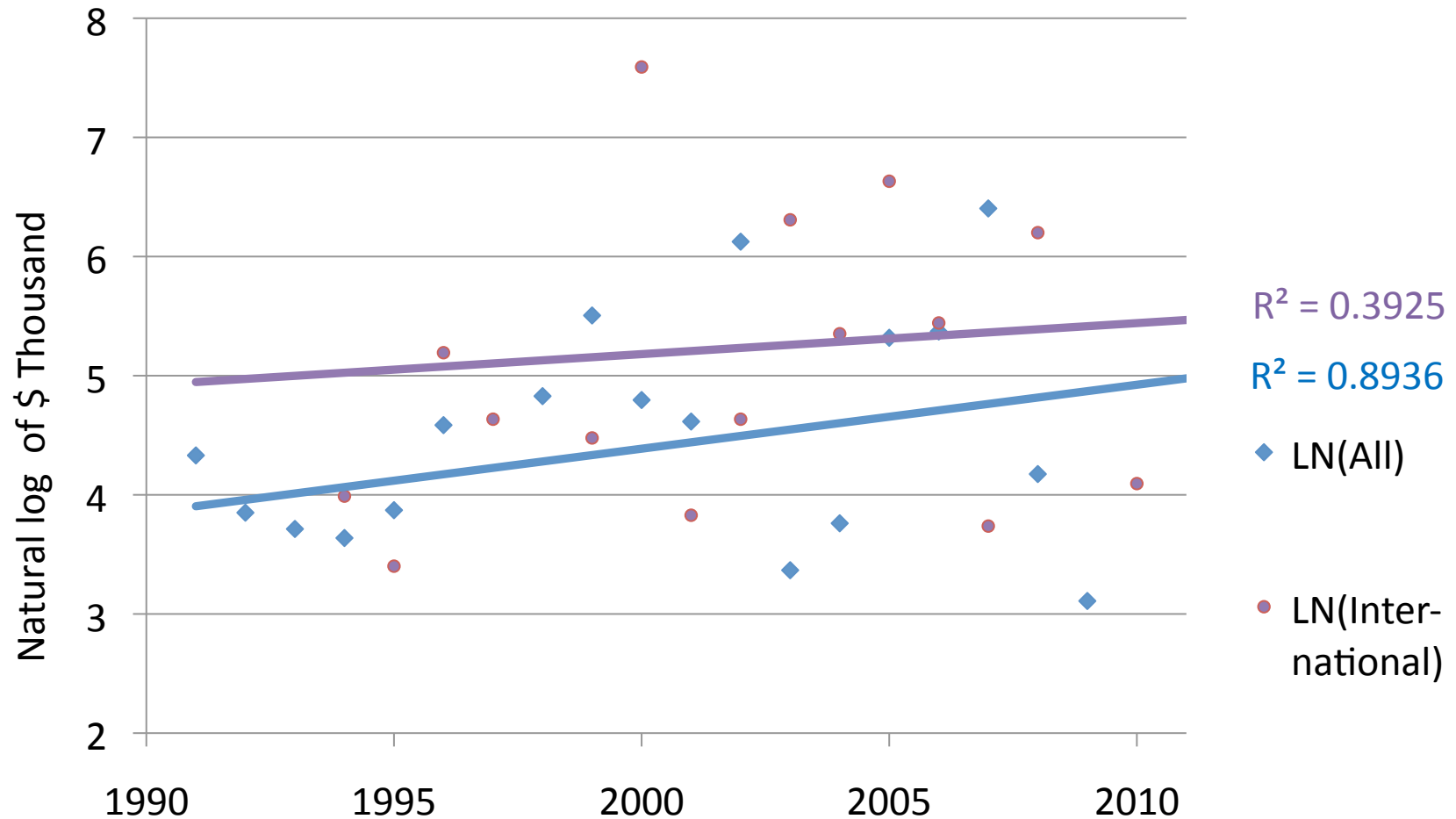


No Trend in US Prison Sentences for International Price Fixers

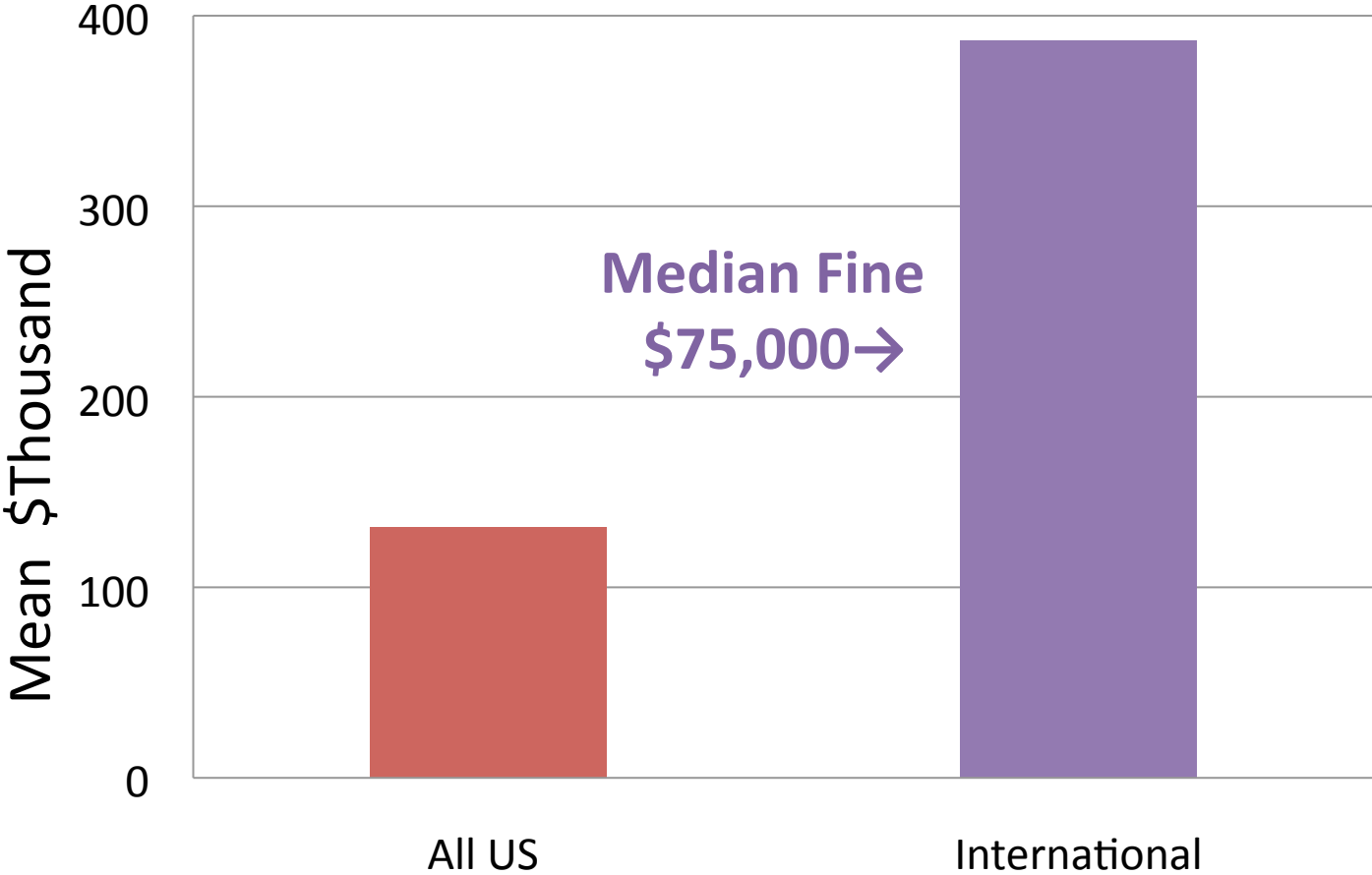


NB: The median of 150 sentences is 10 months

Mean US Fines/Person Higher for International Price Fixers



Average US Fines Paid by Executives Are Low



Sources

- John M. Connor. *Private International Cartels: Full Data*. [The PICs spreadsheet, first created about 1998, is continuously updated. As of March 2011, the full data file was 11MB and consisted of 640 observations of suspected or convicted cartels and 8500 cartelists (companies and individual participants) with 2.8 million cells of data. There are also 13 back-up spreadsheets.]
- John M. Connor. *DOJ Cartel Enforcement 1990-2010*. [A spreadsheet created late 2007 that contains annual budgets, activities, and criminal enforcement actions of the U.S. DOJ with respect to hard-core cartels.]
- John M. Connor and Gustav Helmers. *Statistics on Modern Private International Cartels: Working Paper 07-01*. Washington, DC: American Antitrust Institute (January 2007). [<http://www.antitrustinstitute.org/recent2/567.pdf>]
- John M. Connor. *Cartel Amnesties Granted: Worldwide Whistleblowers* (October 2008, updated). [at SSRN: <http://ssrn.com/abstract=1285469>]

Notes

- Slide 4: Includes named executives who will be fined or imprisoned or are known to have been penalized by unknown amounts. The Dutch numbers are severely underestimated for that reason. The 13 nationalities account for 92% of the total. Figure omits 16 more nationalities with less than ten suspects.
- Slide 5: Includes 370 executives who have been or will be fined or imprisoned, pay civil penalties, or are debarred.
- Slide 6: Criminal cases only. The total conviction rate for the 292 known outcomes is about 82%, but at trial only 13%. Of the “undetermined,” five appear to be awaiting sentencing in late 2008. The fugitives are mainly Japanese citizens.
- Slide 7: “All cartels” data on federal fiscal year basis; “international” on a calendar-year basis. All cartels 1990-2010 average is 60%, international is 45%.
- Slide 8: From DOJ Workload Statistics up to FY 2009. Executives charged with a criminal price fixing violation, both domestic and international. Some are fugitives. Charged and prison are by year first cartel participant is convicted; all polynomials are cubic.
- Slide 9: Domestic and International cartels from DOJ Statistics. Most executives are sanctioned both ways. Cubic polynomials.
- Slide 11: DOJ data in the fiscal year of the year of judicial consent (from DOJ Statistics).
- Slide 12: Data for 1990-2009 on a fiscal year basis.
- Slide 13: Data for 1990-2010 on a calendar-year basis. Omits 1990, which appears atypically high for the early 1990s, and 4 years with no observations.

Notes

- Slide 14: The rate of increase in all fines is faster than international fines. Years are based on when penalties were first assessed: fiscal year for all US cartels and calendar year for international cartels. Converting the fines to natural logs helps reduce the effects of outliers. There are two international outlier observations of \$10 and \$7.5 million in 1998 and 2000, respectively.
- Slide 15: Mean fines. “All US” from DOJ Statistics 1990-2009 for 527 individual price fixers. International 1990-2010 data for 150 of those 527 persons.