



Department of Justice

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**THREE UNITED KINGDOM NATIONALS PLEAD GUILTY TO
PARTICIPATING IN BID-RIGGING CONSPIRACY
IN THE MARINE HOSE INDUSTRY**

***Defendants Agree to Serve Record-Setting Prison Sentences;
Investigation Marks Unprecedented Coordination with the United Kingdom***

WASHINGTON — An independent consultant and two executives of Dunlop Oil & Marine Ltd., a manufacturer of marine hose located in Grimsby, United Kingdom, pleaded guilty today and have agreed to serve record-setting prison sentences for participating in a conspiracy to rig bids, fix prices, and allocate market shares of marine hose sold in the United States, the Department of Justice announced. The plea agreements were filed today in U.S. District Court in Houston.

The Antitrust Division filed a one-count felony charge on Dec. 3, 2007, against Peter Whittle, sole proprietor of a consulting business named PW Consulting (Oil & Marine); Bryan Allison, managing director of Dunlop Oil & Marine Ltd.; and David Brammar, Dunlop's sales and marketing director, in U.S. District Court in Houston. Under the terms of their plea agreements, Whittle has agreed to serve 30 months in jail, Allison has agreed to serve 24 months in jail and Brammar has agreed to serve 20 months in jail. These are the longest prison sentences that foreign national defendants charged with antitrust offenses have agreed to serve in the Division's history. As part of their plea agreements, Whittle and Allison have each agreed to pay a \$100,000 fine, and Brammar has agreed to pay a \$75,000 fine.

The proposed plea agreements represent the results of the Antitrust Division's extensive cooperation with foreign jurisdictions. Under the terms of the plea agreements, the defendants will plead guilty to the charges in the United States, then be escorted in custody back to the U.K. to allow them to cooperate with the Office of Fair Trading's (OFT) investigation of violations of the United Kingdom's Enterprise Act of 2002 and to allow them to plead guilty to violating the Enterprise Act.

"This investigation has not only netted record-setting jail sentences but has involved unprecedented coordination with the United Kingdom," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The United Kingdom's Enterprise Act, which provides for criminal sanctions for individuals who engage in cartel offenses, is an important new weapon in the fight against international cartels. The fact that other governments are now prosecuting cartels criminally, using jail time as a deterrent, shows that the stakes are rising for antitrust violators."

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

“The lengthy prison sentences that these defendants have agreed to serve reflect our long-held belief that jail is the most effective deterrent for antitrust defendants,” said Scott Hammond, Deputy Assistant Attorney General for Criminal Enforcement of the Department’s Antitrust Division.

Eight foreign executives, including Whittle, Allison and Brammar, were arrested on May 2, 2007, in Houston and San Francisco and charged for their roles in the marine hose cartel, following their participation in a cartel meeting in Houston. Francesco Scaglia and Val M. Northcutt, executives with Manuli Rubber Industries SpA, were indicted in September 2007 in U.S. District Court in Fort Lauderdale, Fla., for their roles in the conspiracy. The case has been put on the court’s May 2008 trial docket. In November 2007, Christian Caleca and Jacques Cognard, executives with Trelleborg Industrie S.A.S., pleaded guilty to charges stemming from their roles in the conspiracy and have agreed to recommended prison sentences of 14 months each. Two other foreign executives were arrested and charged in May 2007—Vanni Scodeggio, a business unit manager at Parker ITR srl in Italy, and Misao Hioki, an executive involved in the sale of marine hose for Bridgestone Corporation in Japan.

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 Federal Bureau of Investigation. Law enforcement agencies from multiple foreign jurisdictions are investigating or assisting in the ongoing matter.

“Price fixing and bid rigging are serious crimes that drain resources from the Department of Defense (DOD) and the American taxpayer. The Defense Criminal Investigative Service (DCIS) takes very seriously all violations of U.S. antitrust laws that affect products and services procured for our soldiers, sailors, airmen and Marines. DCIS aggressively investigates those who seek to cheat the DOD and the public by conspiring to suppress competition,” said Charles W. Beardall, Director, DCIS.

Whittle, Allison and Brammar are each charged with a violation of the Sherman Act, which carries a maximum sentence of 10 years imprisonment and a fine of \$1 million for individuals. 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.

Anyone with information concerning bid rigging or other anticompetitive conduct in the marine hose industry is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694, or the Long Beach Resident Agency of the Defense Criminal Investigative Service at 562-256-2501.

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