



# Department of Justice

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**GERMAN NATIONAL CHARGED WITH PARTICIPATING IN CONSPIRACY TO  
RIG BIDS, FIX PRICES AND ALLOCATE MARKET SHARES  
FOR SALES OF MARINE HOSE**

WASHINGTON — A German national was indicted by a federal grand jury in Fort Lauderdale, Fla., for participating in a conspiracy to rig bids, fix prices and allocate market shares for sales of marine hose, in the United States and elsewhere, the Department of Justice announced today. The indictment of Uwe Bangert, a former marine hose executive, was returned on July 19, 2007, and unsealed today in U.S. District Court in Fort Lauderdale.

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.

“These continuing prosecutions in the marine hose conspiracy exemplify the Division’s resolve to hold accountable conspirators who seek to harm U.S. consumers,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department’s Antitrust Division.

Bangert is charged with participating in the conspiracy from at least as early as December 2000 until at least July 31, 2002. The Department charged that during the conspiracy Bangert and his co-conspirators:

- Attended meetings and engaged in discussions in the United States and elsewhere by telephone, facsimile and electronic mail regarding the sale of marine hose;
- Agreed during those meetings and discussions to allocate shares of the marine hose market among the conspirators;
- Agreed during those meetings and discussions to a price list for marine hose in order to implement and monitor the conspiracy;
- Agreed during those meetings and discussions not to compete for one another’s customers either by not submitting prices or bids to certain customers or by submitting intentionally high prices or bids to certain customers;
- Submitted bids in accordance with the agreements reached;

- Provided information received from customers in the U.S. and elsewhere about upcoming marine hose jobs to a co-conspirator who was not an employee of any of the marine hose manufacturers, but served as the coordinator of the conspiracy and acted as a clearinghouse for information to be shared among the conspirators;
- Sold marine hose to customers in the U.S. and elsewhere pursuant to those agreements at collusive and noncompetitive prices;
- Accepted payment for marine hose sold in the U.S. and elsewhere at collusive and noncompetitive prices;
- Authorized or consented to the participation of subordinate employees in the conspiracy; and/or
- Concealed the conspiracy and conspiratorial contacts through various means, including code names and use of private e-mail accounts and telephone numbers.

Eight foreign executives 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. On December 12, 2007 Bryan Allison and David Brammar, executives with Dunlop Oil & Marine Ltd., a manufacturer of marine hose located in Grimsby, United Kingdom, pled guilty to their participation in the marine hose conspiracy. Under the terms of their plea agreements, Allison agreed to serve 24 months in jail and Brammar agreed to serve 20 months in jail. Peter Whittle, a former Dunlop employee now working as an independent consultant, pleaded guilty for his leadership role in the conspiracy and agreed to serve 30 months in prison. Under the terms of the plea agreements, Allison, Brammar and Whittle were returned in custody to the United Kingdom, where they were arrested on December 18, 2007, and criminally charged with cartel offenses by the U.K. authorities.

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. In December 2007, each was sentenced to serve 14 months in prison.

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.

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.

Bangert is charged with a violation of the Sherman Act, which carries a maximum sentence of three years imprisonment and a fine of \$350,000 for individuals charged for violations occurring before June 22, 2004. For violations occurring on or after that date, the maximum prison sentence is 10 years and the maximum fine for individuals is \$1 million. 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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