



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, APRIL 29, 2009
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AT
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TDD (202) 514-1888

DUTCH AIRLINE EXECUTIVE AGREES TO PLEAD GUILTY FOR FIXING PRICES ON AIR CARGO SHIPMENTS

Martinair Holland Executive Agrees to Serve Jail Time

WASHINGTON — A Dutch citizen and executive of Martinair Holland N.V. (Martinair) has agreed to plead guilty, serve time in jail and pay a criminal fine for participating in a conspiracy to fix cargo rates for international air shipments, the Department of Justice announced today.

Including today's charge, a total of 15 airlines and four executives have pleaded guilty or agreed to plead guilty in the Justice Department's ongoing investigation into price fixing in the air transportation industry. Collectively, the companies have paid or agreed to pay criminal fines totaling more than \$1.6 billion and three executives have already been sentenced to jail time.

According to the charge filed in U.S. District Court in the District of Columbia, Franciscus Johannes de Jong, aka Frank de Jong, the former vice president of cargo sales in Europe for Martinair, and his co-conspirators engaged in a conspiracy to fix the cargo rates charged to customers for international air shipments, including to and from the United States. Under the plea agreement, which is subject to court approval, de Jong has agreed to serve eight months in jail, pay a \$20,000 criminal fine and cooperate with the Department's ongoing investigation.

"By fixing prices for the shipment of products to and from the United States, this cartel targeted a critical piece of our country's economy," said Scott D. Hammond, Deputy Assistant Attorney General in charge of the Antitrust Division's Criminal Enforcement Program. "The Department remains dedicated to aggressively pursuing those who conspire to cheat American businesses and consumers with price-fixing schemes."

According to the charge, from at least as early as April 2002 and continuing until at least Feb. 14, 2006, de Jong and his co-conspirators carried out the price-fixing conspiracy by:

- Participating in meetings, conversations and communications to discuss the cargo rates to be charged on certain routes to and from the United States;
- Agreeing, during those meetings, conversations and communications, on certain components of the cargo rates to charge on shipments on certain routes to and from the United States;

- Levying cargo rates in the United States and elsewhere in accordance with the agreements reached; and
- Engaging in meetings, conversations and communications in the United States and elsewhere for the purpose of monitoring and enforcing adherence to the agreed-upon cargo rates.

The 15 airlines that have pleaded guilty or agreed to plead guilty to date as a result of the Department's ongoing investigation into the air transportation industry are: British Airways Plc, Korean Air Lines Co. Ltd., Qantas Airways Limited, Japan Airlines International Co. Ltd., Martinair, Cathay Pacific Airways Limited, SAS Cargo Group A/S, Société Air France, Koninklijke Luchtvaart Maatschappij N.V. (KLM Royal Dutch Airlines), EL AL Israel Airlines Ltd., LAN Cargo S.A., Aerolinhas Brasileiras S.A., Cargolux Airlines International S.A., Nippon Cargo Airlines Co. Ltd., and Asiana Airlines Inc. Airline executives who have already pleaded guilty for their involvement in the illegal activity are Bruce McCaffrey of Qantas, Timothy Pfeil of SAS and Keith Packer of British Airways.

De Jong is charged with price fixing in violation of the Sherman Act, which carries a maximum fine of \$1 million and up to 10 years in prison for an individual. 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.

The ongoing investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section, the Federal Bureau of Investigation (FBI), the Department of Transportation Office of Inspector General and the United States Postal Service Office of the Inspector General. Anyone with information concerning price fixing or other anticompetitive conduct in the air transportation industry is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694 or the FBI Washington Field Office, Northern Virginia Resident Agency at 703-686-6000.

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