

## ANTITRUST LAW: CASE DEVELOPMENT AND LITIGATION STRATEGY

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Georgetown University Law Center  
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Tuesdays, 3:30 pm - 5:30 pm  
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### Week 2: Criminal Price-Fixing Prosecutions (Unit 2)

Now that we have introduced the Indianapolis ready-mix concrete conspiracy, we will spend the next four weeks examining criminal price-fixing investigations, prosecutions, plea agreements, and criminal sentencing.

We will start with a brief review of the elements of a criminal Sherman Act § 1 violation and the associated penalties for its violation. Read the Sherman Act (p. 6 in the [reading materials](#)) with some care. The elements of a criminal Section 1 violation are unpacked in the class notes (slides 3-13 of the [class notes](#)). The Sherman Act does not have its own statute of limitations, so the general five-year federal criminal statute of limitations applies (p. 6 and slides 14-16).

Take a look at the chart on the history of the Sherman Act maximum penalties (p. 7) as well as the “alternative fines provision” of the Comprehensive Crime Control Act (p. 7). While the Sherman Act provides for maximum fines for criminal violations of \$10 million for individuals and \$100 million for corporations, the alternative fines provision—which provides for criminal penalties of twice the gain to the perpetrator or twice the loss to the victims—is uncapped. In large conspiracies, the alternative fines penalty can be much higher than the Sherman Act maximums. The Antitrust Division frequently uses the alternative fines provision in prosecuting international cartel members. The class notes also cover criminal sanctions for antitrust violations (slides 17-30). Slide 21 lists the highest criminal fines collected by the DOJ for criminal Sherman Act violations.

As we discussed in the last class, Chris Beaver was also convicted of violating 18 U.S.C. § 1001, one of the several obstruction of justice statutes that comes up all the time in federal criminal cases. I have included in the reading materials a number of obstruction of justice-type provisions from the criminal code with which you should have some basic familiarity (and therefore need only skim) (pp. 9-13). You have already seen the *Flynn* information from last week’s reading. The *Groen* information (pp. 14-18) and the excerpt from the *Martha Stewart* case (pp. 19-21) show what can happen to someone who tampers with evidence in the course of a federal antitrust investigation and are quick and interesting reads. Finally, the *Higashida* indictment (pp. 22-30) applies various obstruction of justice statutes to two individuals’ efforts to allegedly cover-up the participation of themselves and their company in one of the automotive auto parts price-fixing conspiracies.<sup>1</sup>

On Tuesday, we probably will not get any further than this (and probably will not get this far), so read the [class notes](#) only through slide 45.

If you have any questions, please send me an email. Have a great week, and I will see you in class.

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<sup>1</sup> Higashida ultimately entered a guilty plea under a plea agreement to conspiring to obstruct justice and attempting to obstruct justice. As agreed, he was sentenced to 14 months in prison and a \$7500 criminal fine. You can find the docket sheet and various filings in the case (including the plea agreement and the transcript of the plea agreement/sentencing hearing in [Unit 3](#) on [AppliedAntitrust.com](http://AppliedAntitrust.com)).