

# Press-release of 28.06.2010

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On 23rd June 2010, the Office of the Federal Antimonopoly Service in the Komi Republic (the Komi OFAS Russia) initiated a case against "Kazhimles" Ltd. and "Koileskhoz" Ltd. for the signs of bid-rigging collusion in an attempt to get government contracts for protection and regeneration of forest resources in the region (Part 1 Article 11 of the Federal Law "On Protection of Competition").

On 7th April 2010, the Ministry of Finance of the Komi Republic held an open auction for two forest lots (plots in the Koigorodsky district of the Komi Republic). The bidding did not take place as only one bidder participated in each lot: "Kazhimles" Ltd. and "Koileskhoz" Ltd. As a result, the companies were awarded the contract at the maximum proposed prices.

The Ministry of Finance of the Komi Republic believes that the companies were engaged in concerted actions as they distributed the forest plots between themselves and, accordingly, the auction lots. Such actions did not allow the state to save funds by means of competitive bidding.

The signs of concerted actions are also indicated by the fact that initially each company filed the auction bids for both lots.

On 22nd July 2010, the Komi OFAS Russia will consider the case against "Kazhimles" Ltd. and "Koileskhoz" Ltd. for the signs of violating Part 1 Article 11 of the Federal Law "On Protection of Competition".