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The size of fines imposed upon companies is calculated on the basis of the gravity of the violations and the degree of culpability of the violators, explained John McReynolds Assistant Chief of New York Field Office, United States Department of Justice, Antitrust Division, on 9th July 2010 at the Russian - American seminar on antimonopoly enforcement.

John McReynolds made a presentation in "leniency programme and punishment under American legislation", which he focused on two issues: settlement in cartel cases and punishment in the USA and American leniency programme.

According to the statistics included in the presentation, only in the past ten years the proportion of accused sentenced to imprisonment on cartel cases in the USA increased from 38% to 80%. Maximum penalty for legal entities is a \$100,000 fine; physical persons can be fined \$1 million and imprisoned for up to ten years.

Research in the USA show that criminal punishment is the most effective preventive measure against cartel mushrooming.

Fines for legal entities are determined primarily on the basis of the degree of company's culpability and the gravity of the violations, including, involvement of the company management in illegal activities.

American law also provides for leniency when sentencing the antitrust violators. If a company or a private person agrees for a deal to admit its guilt, it solves cartel cases faster without going to court, assists the investigation and bring some certainty regarding a possible sentence. Thus, American leniency programme is a very effective weapon for the investigators. Members of the Board of Directors, executive officials and rank-and-file staff who cooperate with the investigation avoid fines and imprisonment. What is the most important - the leniency programme is strictly confidential.

John McReynolds summed up his presentation stating that leniency programmes help effectively suppress cartels, especially if a programme is inclusive rather than exclusive and there is a transparent and predictable system of its employment.

**John McReynolds** has been Assistant Chief of the New York Office of the Antitrust Division since September 2005. He joined the Division in 1991. His area of concentration is the investigation and prosecution of criminal antitrust crimes, such as price fixing and bid rigging, and related criminal crimes such as mail and wire fraud, tax evasion, and perjury. Among the major cases Mr. McReynolds has successfully prosecuted include: a nationwide conspiracy to fix prices of iron and silicon alloys, involving American, German and Norwegian companies; bid-rigging on Connecticut public school milk contracts; and a 15-year customer allocation agreement among the largest linen suppliers in New York City. Mr. McReynolds was nominated for the Department of Justice's highest award, the Attorney General's Award, for his successful prosecution of a 35-member bid-rigging and tax fraud conspiracy involving foreclosed residential

*homes in New York City.*

*Mr. McReynolds has served as a Special Assistant United States Attorney with the U.S. Attorney's Office for the District of Connecticut. While there, he successfully prosecuted a variety of criminal cases, including firearms offenses, drug offenses and bank embezzlement.*

*Prior to entering the field of law, Mr. McReynolds spent over ten years in business, working primarily for large U.S. and foreign corporations in a variety of management positions. Mr. McReynolds is a 1974 graduate of Lehigh University. He received his M.B.A. in finance from New York University School of Business in 1978 and his J.D. from Quinnipiac College School of Law in 1991, where he was a member of Law Review. He has also studied at the University of London.*