

Department of Justice

Office of Public Affairs

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**Horizon Lines LLC Agrees to Plead Guilty to Price Fixing on Coastal Water Freight Services Between the Continental United States and Puerto Rico**

*Charlotte, N.C.-Based Company Agrees to Pay \$45 Million Criminal Fine*

WASHINGTON – Horizon Lines LLC has agreed to plead guilty and to pay a \$45 million criminal fine for its role in a conspiracy to fix prices in the coastal water freight transportation industry, the Department of Justice announced today.

According to a one-count felony charge, filed today in U.S. District Court for the District of Puerto Rico, Horizon Lines LLC, whose principal place of business is in Charlotte, N.C., engaged in a conspiracy to fix rates and surcharges for water transportation of freight between the continental United States and Puerto Rico from at least as early as May 2002, until at least April 2008.

Horizon Lines LLC transports a variety of cargo shipments, such as heavy equipment, medicines and consumer goods, on scheduled ocean voyages between the continental United States and Puerto Rico.

According to the charge, Horizon Lines LLC and co-conspirators carried out the conspiracy by agreeing during meetings and discussions to allocate customers of Puerto Rico freight services and to fix the rates and surcharges to be charged to purchasers of water transportation of freight between the continental United States and Puerto Rico. The department said that Horizon Lines LLC and co-conspirators also engaged in meetings for the purpose of monitoring and enforcing adherence to the agreed-upon rates and sold Puerto Rico freight services at collusive and noncompetitive rates.

In addition to today's charge, as a result of this investigation, five former executives have been charged and sentenced to serve prison time. On Oct. 20, 2008, three former Horizon Lines LLC executives, R. Kevin Gill, Gregory Glova and Gabriel Serra, and another former shipping executive, Peter Baci, pleaded guilty to a wide-ranging conspiracy to rig bids, fix prices and allocate customers transporting goods between the continental United States and Puerto Rico by ocean vessel. On the same day, Alexander Chisholm pleaded guilty for his conduct in obstructing the Department of Justice's investigation of the shipping conspiracy.

Horizon Lines LLC is charged with price fixing in violation of the Sherman Act, which carries a maximum fine of \$100 million for corporations. 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.

Today's charge arose from an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the coastal water freight transportation industry, which is being conducted by the Antitrust Division's National Criminal Enforcement Section; the Baltimore Resident Agency of the Department of Defense's Office of the Inspector General; Defense Criminal Investigative Service (DCIS); the Miami Field Office of the Department of Transportation's Office of Inspector General; and the Jacksonville, Fla., Field Office of the FBI. Anyone with information concerning this investigation is urged to call the Antitrust Division's National Criminal Enforcement Section at 202-307-6694, visit [www.justice.gov/atr/contact/newcase.htm](http://www.justice.gov/atr/contact/newcase.htm) or contact DCIS's Baltimore Resident Agency at 410-347-1620.