

CEO Indicted for Seafood Price-Fixing

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The U.S. Department of Justice indicted Bumble Bee Foods CEO Christopher Lischewski on price-fixing charges. Lischewski is the first CEO to be charged for his role in the alleged U.S. conspiracy to fix the price of packaged seafood. The Northern District of California grand jury indictment alleges that Lischewski participated in meetings and communications where conspirators agreed on the price for packaged seafood. Prosecutors allege that Lischewski and his coconspirators concealed their conduct by using codenames in their communications, meeting at offsite locations, discouraging documentation of conspiratorial meetings, and providing misleading justifications for the fixed prices. If convicted, Lischewski could face a fine up to \$1 million and a prison sentence of up to 10 years. In a public statement, Lischewski's attorney denied the allegations and stated that he will be found not guilty.

The investigation into price fixing by Bumble Bee Foods, StarKist, and Tri-Union Seafoods has been ongoing since 2015. In December 2016, two Bumble Bee Foods vice presidents pled guilty to conspiracy allegations, followed by the June 2017 guilty plea of a StarKist vice president. In August 2017, Bumble Bee Foods pled guilty to criminal antitrust violations and agreed to a \$25 million fine.

As announced by DOJ on May 16, "This indictment demonstrates the personal accountability of senior leadership at corporations. The FBI and the Department of Justice will hold corporate leaders accountable for criminal actions that defraud American families." No other seafood company CEOs have been indicted at this

time.

Numerous individual and class action lawsuits were filed following disclosure of the investigation and have been consolidated in the U.S. District Court for the Southern District of California. In addition to the DOJ allegations, these complaints allege that the companies' participation in industry groups, co-packaging operations, and joint advertising campaigns offered further opportunities to collude. In April 2018, the court ruled plaintiffs could add Bumble Bee's private equity owner, Lion Capital, as a defendant, but denied plaintiffs' request to name Lischewski as a defendant.

The views and opinions set forth herein are the personal views or opinions of the authors; they do not necessarily reflect views or opinions of the law firm with which they are associated.

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