



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

January 24, 2014

The Honorable Patrick J. Leahy
Chairman
Committee on the Judiciary
United States Senate
Washington, DC 20510-6275

Dear Mr. Chairman:

Enclosed please find responses to questions for the record arising from the appearance of Ronald T. Hosko, Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation, at the hearing before the Committee on November 14, 2013, entitled "Cartel Prosecution: Stopping Price Fixers and Protecting Consumers." We hope this information is of assistance to the Committee.

Please do not hesitate to contact this office if we may provide additional assistance regarding this or any other matter. The Office of Management and Budget has advised us that, from the perspective of the Administration's program, there is no objection to submission of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter J. Kadzik".

Peter J. Kadzik
Principal Deputy Assistant Attorney General

Enclosures

cc: The Honorable Charles E. Grassley
Ranking Member

**Responses of the Federal Bureau of Investigation
to Questions for the Record
Arising from the November 14, 2013, Hearing Before the
Senate Committee on the Judiciary
Regarding “Cartel Prosecution:
Stopping Price Fixers and Protecting Consumers”**

Question Posed by Senator Klobuchar

Question: The DOJ Antitrust Division and FBI work closely with foreign partners to execute search warrants and seizures, and according to your testimony those efforts are successful. Are there any challenges that remain in international cartel investigations, coordination, and prosecution?

Response:

Recent successes in international cartel investigations have been aided by strong relationships between the Department of Justice Antitrust Division, the FBI, and our foreign counterparts. Several countries have assisted in ongoing investigations, with particularly noteworthy assistance from Japan.

Because antitrust offenders often make extraordinary efforts to cover their crimes, these investigations frequently originate as “spin-offs” from existing cases or based on information provided by whistleblowers. Absent these, the primary investigative challenge lies in the initial identification of complex price-fixing or market allocation schemes by international cartels.

In domestic conspiracy cases, the FBI can use its analytic tools to research industries and markets, and can gather information regarding company practices through the development of human intelligence sources. When illegal conspiratorial conduct occurs outside the United States, the FBI has fewer law enforcement techniques at its disposal and consequently more limited information about individuals and companies to help us identify collusion or other illegal conduct. In these circumstances, the success of the FBI’s efforts depends on the willingness and ability of foreign counterparts to identify this conduct and share information.

Even if statutes similar to our antitrust laws exist, foreign countries have varying levels of ability and desire to help us identify collusive behavior and enforce such laws. Access to foreign records, such as travel records, would reduce the FBI’s dependence upon self-disclosures and other referrals. Absent that, strong international liaison relationships must be augmented by proactive criminal intelligence collection. We task overseas FBI personnel with developing liaison relationships and cooperatively gathering information regarding antitrust and other international corruption offenses. By training U.S. and host country officials on these violations, and through engagement with private sector

contacts, we create valuable information channels and improve the probability of identifying conspiracies. While there are few incentives for international development banks and other non-governmental organizations to provide information concerning anti-competitive conduct, we continue to seek improved collaboration with these entities.