
UK Businessman Pleads Guilty to UK Criminal Cartel Offence

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Peter Snee, former managing director of Franklin Hodge Industries, has pleaded guilty to a single count of the UK's criminal cartel offence for his role in fixing prices for the supply of water storage tanks. He was charged in January 2014 under section 188 of the Enterprise Act 2002, beginning the UK's first prosecution of the criminal cartel offence since the collapse of the BA/Virgin price-fixing trial in May 2010. That trial collapsed when it emerged that a large quantity of potentially exculpatory e-mails had not been provided to the Office of Fair Trading by the whistleblower and therefore had not been disclosed to the defence.

Mr Snee pleaded guilty in February but the judge ordered that this should not be reported until now. Mr Snee will be sentenced at a later date.

The prosecution is being brought by the newly created Competition and Markets Authority (CMA), which on 1 April 2014 replaced the Office of Fair Trading as the primary body responsible for enforcing competition law in the UK. The CMA is also conducting a related civil investigation into whether the businesses involved have infringed the Competition Act 1998.

As the price-fixing agreement in question was made before 1 April 2014, an essential element of the conduct admitted by Mr Snee is that he acted dishonestly. On 1 April 2014, the criminal cartel offence was amended so that the prosecution no longer has to prove dishonesty to secure the criminal conviction of an individual for cartel behaviour occurring on or after that date. Whilst the removal of the dishonesty element makes the cartel offence easier to prove and brings it more in line with equivalent offences in other jurisdictions, it remains to be seen whether it will lead to any significant increase in the number of successful prosecutions. For more on this, [click here](#).

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