

COFECE-05-2018

COFECE fines companies and individuals for collusion in public procurement processes in the market for media monitoring services

- *The Board of Commissioners determined that three companies and one individual committed absolute monopolistic practices by rigging public procurement procedures for media monitoring services hired by diverse public authorities. The Board also held four individuals representing the infracting companies responsible for these acts. The fines total more than 7 million pesos.*
- *The economic agents agreed to manipulate the prices provided in market research and/or economic proposals conducted by the organizing parties; they also coordinated their bids and/or sat out of procurement procedures known as invitation to no fewer than three suppliers.*
- *The Commission identified elements that could lead to the assumption of bad administrative practices, and forwarded the public version of the resolution to the Ministry of Public Administration and to the heads of the affected agencies.*

Mexico City, January 30, 2018.- The Federal Economic Competition Commission's Board of Commissioners (COFECE or Commission) determined that Delfos Comunicación, Mercado y Prospectiva, S.C. (Delfos); Especialistas en Medios, S.A. de C.V. (Especialistas en Medios) and SVS Internacional de México, S.A. de C.V (SVS), as well as Emilio Otero Cruz,¹ and four other individuals whom acted on behalf of some of these companies,² committed absolute monopolistic practices in the market of specific-themed media monitoring services and related services such as news compilation, organization, systematization, analysis, report and dissemination services, hired by public authorities.

The Board of Commissioners confirmed, in file number IO-006-2015, that Especialistas en Medios, Delfos, SVS, Emilio Otero as well as the individuals representing the companies, fixed the prices in economic proposals and quotes in market research carried out by diverse public agencies. Additionally, these same economic agents arranged or coordinated bids

¹ Emilio Otero Cruz, individual that independently operates under the commercial name: "Antena Informativa".

² Olga Guadalupe Mireles Aguirre and Raúl Serrano Macedo, representing "Especialistas en Medios", as well as María Guadalupe Irasema Ruíz Ávila and Josefina Castro Laguna, representing "Delfos".



and/or agreed on the suppression of technical or economic proposals in the procurement procedures known as invitation to no fewer than three suppliers

The conducts that occurred between 2012 and 2016 had the purpose of benefiting Especialistas en Medios through the award of monitoring services contracts. The Board of Commissioners substantiated that the company and the individuals whom represent the company coordinated technical and/or economic proposals, as well as the quotes their competitors signed and submitted to the convening officials. The agents that helped Especialistas were benefitted either through a subcontract or assignment of a related service.

The aforementioned implied anticompetitive agreements in at least 24 procurement procedures carried out by the following agencies: National Trust Fund for Tourism Development (*Fondo Nacional de Fomento al Turismo*), the National Institute of Anthropology and History (*el Instituto Nacional de Antropología e Historia*), the National Commission for the Development of Indigenous Peoples (*la Comisión Nacional para el Desarrollo de los Pueblos Indígenas*), the Federal Electricity Commission (*la Comisión Federal de Electricidad*), the National Council for Culture and Arts (*el Consejo Nacional para la Cultura y las Artes*), Ministry of Culture (*la Secretaría de Cultura*), the extinct Federal Institute for Access to Public Information and Data Protection (*Instituto Federal de Acceso a la Información*), the Ministry of Public Education (*la Secretaría de Educación Pública*), the National Council to Prevent Discrimination (*el Consejo Nacional para Prevenir la Discriminación*), the National Banking and Securities Commission (*la Comisión Nacional Bancaria y de Valores*), the Ministry of Economy (*la Secretaría de Economía*), the Presidency of Mexico (*la Presidencia de la República*), the Superior Audit Office (*la Auditoría Superior de la Federación*) and the Federal Consumer Prosecutor (*la Procuraduría Federal del Consumidor*) and the National Financial Institution of Agricultural, Rural, Forestry and Fisheries Development (*la Financiera Nacional de Desarrollo Agropecuario, Rural, Forestal y Pesquero*).

The conducts were serious because they prevented the convening authorities from obtaining the best contracting conditions in terms of price and quality. It is estimated that the price awarded to Especialistas en Medios was overpriced by an average of 14.5% as a result of the collusion, which resulted in damages of approximately 3 million, 144 thousand and 865 pesos in public resources which could have been allocated to other public needs.

Because of the latter, the Commission's Board of Commissioners sanctioned the collusion participants – three companies and five individuals- fines totaling 7 million, 255 thousand,

121 pesos. The Board also ordered that the public version of the resolution be forwarded to the Ministry of Public Administration and the heads of the public agencies that were affected by the conducts, for all legal purposes that may take place.

Once the parties have been notified, the Law grants the sanctioned economic agents the right to go before the Judiciary so that the legality of COFECE's actions may be reviewed.

See in Spanish: [What is an absolute monopolistic practice?](#) and [Recommendations to promote competition and free market access in public procurement.](#)

– 000 –

MORE COMPETITION FOR A STRONGER MEXICO

The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. Through this, it contributes to consumer welfare and the efficient functioning of the markets. Through its work it seeks better conditions for consumers, greater output and better services and a “level playing field” for companies.