

COFECE-042-2019

## **For the second time, COFECE presents criminal complaint against individuals that could have colluded in the sale of goods and services in the health sector**

- *This criminal complaint is independent from the one presented in February 2017.*

**Mexico City, October 23, 2019.-** Yesterday, the Federal Economic Competition Commission's (COFECE or Commission) Investigative Authority presented a criminal complaint against diverse individuals before the Prosecutor General's Office (Fiscalía General de la República, FGR for its initials in Spanish), which in accordance with their investigations, had probably committed acts indicated as absolute monopolistic practices, a crime stipulated in article 254 bis of the Federal Penal Code (Código Penal Federal).

This is the second time COFECE's Investigative Authority makes use of this power, having evidence of the possible coordination among competitors in public tenders in the health sector, at least since 2011 and until 2015, which affected the procurement of goods and services in diverse entities of the sector.

Absolute monopolistic practices, from a competition perspective, generate the most severe effects on the functioning of markets and consumer welfare, given elevated prices and the diminished quantity and quality of goods and services offered. That is why Mexican legislation stipulates criminal sanctions of up to ten years of prison for these conducts. Collusion in the health sector is particularly serious because the goods and services acquired by public institutions directly impact State assistance provided to the public.

It falls upon the Federal Public Prosecutor to continue the investigation initiated by COFECE's Investigative Authority. The results of the latter were established in the issued Statement of Probable Responsibility, to be used, should the case become judicial and criminal actions be exercised against those responsible for committing a crime or participated in its commission.

The requested criminal action is additional and independent to the administrative process that COFECE has initiated against the companies and individuals that have been notified,

whom have presented evidence and arguments in their defense. At the end of the trial-like procedure, COFECE's Board of Commissioners will determine their administrative responsibility and, if applicable, impose the corresponding sanctions, which may be up to 10% of each accused agent's accumulated income.

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***MORE COMPETITION FOR A STRONGER MEXICO***

*The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. This contributes to people's well-being and the efficient functioning of markets. With its work, COFECE seeks better conditions for consumers, more services of higher quality and a "level playing field" for companies.*

Courtesy translation of press release in Spanish. For information purposes only.