

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, June 27, 2019

E-Commerce Company Pleads Guilty To Antitrust Charge

Gennex Media and its President Sentenced for Conspiracy To Fix Prices of Promotional Products Sold Online

Gennex Media LLC (aka Brandnex.com and PMGOA) pleaded guilty and was sentenced today for conspiring to fix prices for customized promotional products sold online to customers in the United States. Gennex Media's president, Akil Kurji, was also sentenced today for his role in the conspiracy.

According to the felony charges filed on Nov. 1, 2018, and the plea agreement filed today in the U.S. District Court for the Southern District of Texas in Houston, Gennex Media, its president, Akil Kurji, and their co-conspirators agreed to fix the prices of customized promotional products sold online from May 2014 until at least June 2016. The customized promotional products subject to the conspiracy included wristbands, lanyards, temporary tattoos, and buttons. The defendants and their co-conspirators used social media platforms and encrypted messaging applications, such as Facebook, Skype, and Whatsapp, to reach and implement their illegal agreement. In addition to pleading guilty, Gennex was sentenced to pay a \$752,717 criminal fine. Kurji was sentenced to eight months in custody, a \$20,000 criminal fine, and three years of supervised release.

"Today's guilty plea and sentencings demonstrate the Division's commitment to uncovering and prosecuting collusion that affects the online marketplace," said Assistant Attorney General Makan Delrahim of the Department of Justice's Antitrust Division. "We will continue to hold companies and their top executives accountable, seeking significant criminal fines and prison terms for those who violate the antitrust laws at the expense of everyday Americans."

"The Department of Justice's simple message is don't collude to fix prices," said U.S. Attorney Ryan K. Patrick for the Southern District of Texas. "If you are caught doing this, not only will you likely face large fines, but you could end up in federal prison. Fixing prices hurts consumers and market competitors, whether the conspiracy involves small, logo branded items or million dollar pieces of equipment."

"The guilty plea and sentencing handed down today should serve as a warning to those who would corrupt America's business markets that the FBI and its partners will pursue justice for our consumers," said Perrye K. Turner, Special Agent in Charge of FBI's Houston Field Office. "Such conduct will not be tolerated and there are harsh consequences for companies and their executives who violate competition law."

To date, 11 defendants have been charged in the investigation into the online customized promotional products industry. Of those defendants, five individuals and four companies have pleaded guilty. The corporate guilty pleas in the investigation have resulted in criminal fines totaling almost \$10 million.

This prosecution arose from an ongoing federal antitrust investigation into price fixing in the online promotional products industry, which is being conducted by the Antitrust Division's Washington Criminal I Office, with the assistance of the U.S. Attorney's Office for the Southern District of Texas and the FBI's Houston Field Office. Anyone with information on price fixing or other anticompetitive conduct related to other products in the customized promotional products industry should contact the Antitrust Division's Citizen Complaint Center at 888-647-3258 or visit www.justice.gov/atr/contact/newcase.html.

Topic(s):

Antitrust

Component(s):

Antitrust Division

Federal Bureau of Investigation (FBI)

USAO - Texas, Southern

Press Release Number:

19-721

Updated June 27, 2019