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## PRESS RELEASE

# Former Interim President of Puerto Rican Steel Distributor Pleads Guilty to Eight-Year Price-Fixing Conspiracy

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Friday, August 30, 2024

**For Immediate Release**

Office of Public Affairs

An executive of a steel distributor in Carolina, Puerto Rico, pleaded guilty today to conspiring with competitors to fix prices for sales of reinforcing bar, or rebar.

According to court documents filed in the U.S. District Court in San Juan, Edgardo Sola Colon (Sola), of Toa Alta, Puerto Rico, is the president of a steel distributor in Puerto Rico and is a former president of another steel distributor in Puerto Rico. These companies are some of the leading wholesale distributors of rebar in Puerto Rico. Rebar is commonly required for residential and commercial construction projects on the island, and nearly all rebar distributed in Puerto Rico is imported from other countries or the continental U.S.

Collectively, Sola's company and two other competitors controlled approximately 70% of the wholesale rebar market in the Commonwealth.

Between 2015 and 2022, including the period of reconstruction following Hurricanes Irma and Maria in September 2017, Sola conspired with competing companies and individuals to suppress and eliminate competition by fixing prices for steel products, including rebar, which were distributed to hardware stores, building contractors and other businesses and individuals in Puerto Rico, resulting in substantial profits to the conspirators.

Among other communications, Sola and his competitors exchanged WhatsApp chat messages in which they agreed on specific rebar prices, including price increases. For example, in December 2020 Sola sent to Juan Carlos Aponte, an executive at a competing company, a chat message with the price of Turkish rebar, and Aponte responded, "The

position is the following: Platform \$33.95, 10 bundles \$34.50, Fewer than 10 bundles: \$34.95” before asking, “The question is are we on the same page?” Sola responded, “Yes, that is what I am doing.”

In his plea agreement, Sola admitted that more than \$50 million in sales by his companies were affected by the conspiracy.

On Aug. 7, Aponte pleaded guilty in federal court in Puerto Rico to participation in the same price-fixing conspiracy, and now awaits sentencing.

“In pleading guilty, this defendant admitted to a long-running agreement to fix prices on rebar, a critical component of the construction supply chain for Puerto Rico,” said Deputy Assistant Attorney General Manish Kumar of the Justice Department’s Antitrust Division. “This guilty plea demonstrates the Antitrust Division’s continued commitment to holding accountable individuals who collude to raise prices and harm all consumers and businesses in Puerto Rico. We and our law enforcement partners will continue to prosecute the people responsible for anticompetitive criminal conduct like this.”

Violating the Sherman Act, which is a federal criminal antitrust statute, is a felony. The maximum penalty for individuals convicted of violating the Sherman Act is 10 years in prison and a \$1 million criminal fine. The maximum penalty for corporations is a \$100 million criminal fine. The fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime if either amount is greater than the statutory maximum fine.

Sola’s sentencing is set for Dec. 16. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

The Antitrust Division’s Washington Criminal Section investigated the case, with the assistance of the FBI San Juan Field Office.

Trial Attorneys April Ayers-Perez, Alison Friberg and Taylor Bernhardt of the Antitrust Division’s Washington Criminal Section and Senior Litigation Counsel John Davis of the Antitrust Division’s Litigation Program are prosecuting the case.

Anyone with information in connection with this investigation should contact the Antitrust Division’s Complaint Center at 888-647-3258 or visit [www.justice.gov/atr/report-violations](http://www.justice.gov/atr/report-violations).

*Updated August 30, 2024*

**Topic**

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Press Release Number: 24-1083

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