11 June 2009: Relocation of military personnel in the Northeast region

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The Autorité de la concurrence fines 19 removal companies that had colluded in order to produce fake estimates

> Version française

The *Autorité de la concurrence* issued a decision in which it fined nineteen removal companies for having produced fake invoices in order to distort competition in the market of the relocation of soldiers.

The administration looks after the financial cost of relocating soldiers

The relocation of military personnel is governed by specific regulatory provisions that require the latter to provide the administration with two or three competing estimates for the purpose of reimbursement of all, or part of, a relocation related to a unit transfer.

Actually, the soldier contacts the furniture remover, pays the agreed price but, in the end, is not responsible for the cost of the relocation.

Taking advantage of this “painless” system and of the “captive” nature of the demand, the companies in question often avoided competing with one another by producing fake estimates, to the detriment of public accounts

The inspection brought to light that the companies were not competing in many cases, while in reality sharing the customers. They drafted “fake” estimates

(offers with a deliberately higher amount) so that one of them would certainly secure the business for the relocation of a given transferred soldier.

The *Autorité* has estimated that these practices were serious: faced with a captive clientele confronted with the need to join the new unit by a given date and in the presence of an administration whose first concern was the proper operation of the movement of military personnel, the professionals in question artificially distributed the customers amongst themselves, thereby limiting competition and hindering the setting of prices through the working of the market.

The facts are all the more regrettable since similar efforts had already been sanctioned in this sector, and that the companies in question in the present matter could not have been unaware of the prohibited nature and seriousness of such practices (notably see the decisions of the Conseil de la Concurrence 07-D-48 of 18 December 2007, confirmed by the Paris court of appeal on 25 February 2009, 02-D-62 of 27 September 2002, 01-D-63 of 9 October 2001 and 99-D-50 of 13 July 1999).

Nineteen companies have therefore been fined, for a total amount of just over 600,000 euros.

> For more details regarding this matter, the full text of decision 09-D-19 of 10 June 2009

> See decision of the Paris Court of Appeal (11 th May 2010)