

The CNMC fines four companies and six executives for colluding in several Ministry of Defence tenders through two cartels

- They rigged several tenders related to the supply, maintenance and modernisation of military equipment.
- These agreements affected almost a hundred contracts, worth 60 million euros.
- The CNMC considers that these companies should be prohibited from entering into contracts with the public administration.
- However, the CNMC welcomes the fact that they have submitted regulatory compliance programmes and will review them in the coming months so that the prohibition can be assessed by the State Public Procurement Advisory Board.

Madrid, 25 July 2023.-The National Markets and Competition Commission (CNMC) has fined four companies and six executives for bid rigging in Ministry of Defence tenders through two cartels ([S/0008/21](#)).

Firstly, it fined the companies Comercial Hernando Moreno Cohemo S.L.U. (Cohemo), Star Defence Logistics & Engineering S.L. (SDLE), and Grupo de Ingeniería, Reconstrucción y Recambios JPG S.A. (JPG) for bid rigging in tenders related to the supply, maintenance and modernisation of military vehicles between January 2016 and June 2021.

Secondly, the CNMC sanctioned Cohemo and Casli S.A. (Casli) for manipulating a framework agreement to purchase military containers between September 2019 and November 2021.

Collusive tendering

The companies colluded to divide up contracts among themselves. Specifically, they entered into non-competition agreements, issued cover bids, withdrew or did not justify bids, and exploited the system of temporary joint ventures.

The anti-competitive agreements affected almost a hundred contracts, worth 60 million euros: 13 framework agreements, the corresponding 81 contracts, and 10 other public contracts. These tenders were related to the maintenance of military vehicles (such as Centauro, Leopard, Pizarro, BMR, VEC and RG-31) and camp equipment.

This type of anti-competitive agreement is prohibited in Article 1 of Law 15/2007 on the Defence of Competition and is a very serious infringement constituting a cartel that can be sanctioned with fines of up to 10% of the companies' turnover.

Sanctions imposed

The CNMC has imposed the following fines on the infringing companies:

Company	Fine (€)	
	Cohemo, SDLE and JPG Cartel	Cohemo and Casli Cartel
Cohemo	1,067,944	450,000
SDLE	3,302,912	
JPG	1,304,220	
Casli		100,000

It has also sanctioned the following executives involved:

Executive	Fine (€)	
	Cohemo, SDLE and JPG Cartel	Cohemo and Casli Cartel
Aurelio Estrella Rio	52,000	
Manuel Estrella Rio	52,000	
Raúl Pérez Guerrero	42,000	
Sergio Hernando Moreno	52,000	8,000
Óscar Agudo Sánchez	40,000	5,000
Antonio Molina Baltanás	34,000	

Ban on contracting

The CNMC considers that the ban on contracting provided for in Article 71.1.b) of Law 9/2017, of 8 November 2017, on Public Sector Contracts (LCSP) should be applied to the concerned companies.

However, the CNMC takes a positive view of some of the compliance programmes submitted by the sanctioned companies and has asked them to review them in six months' time. If the CNMC considers that the companies continue to be willing to comply with competition rules and promote a culture of competition, it will recommend to the State Public Procurement Advisory Board that it take their programmes into account for the purposes of Article 72.5 of the LCSP.

Related content:

- [S/0008/21](#): “Military equipment tenders” case
- [Press release](#) (30/12/2021): The CNMC initiates disciplinary proceedings against several companies for bid rigging related to military equipment.
- [Notice 1/2023](#) of 13 June on the criteria for determining the ban on contracting for distortion of competition
- [Press release](#) (23/06/2023): The CNMC approves the criteria that shall govern the prohibition for companies that distort competition to enter into contracts with the public sector.