



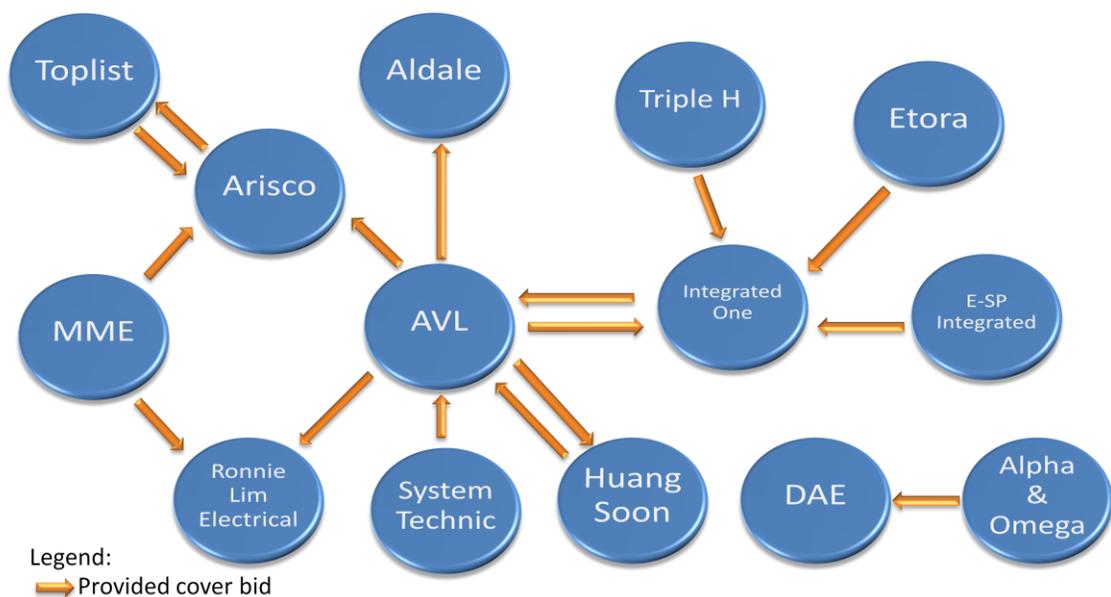
## **MEDIA RELEASE**

**4 June 2010**

### **CCS FINES 14 ELECTRICAL AND BUILDING WORKS COMPANIES FOR BID-RIGGING**

1. The Competition Commission of Singapore (“CCS”) has today issued its infringement decision under the Competition Act (“the Act”) against fourteen electrical and building works companies. The companies were found to have infringed section 34 of the Act, which prohibits bid-rigging or collusive tendering.
2. The 14 companies are:
  - a) Aldale Electrical Services Pte Ltd;
  - b) Alpha & Omega Engineering Services;
  - c) Arisco Engineering & Maintenance Services Pte Ltd;
  - d) AVL Electrical Engineering Pte Ltd;
  - e) DAE Services;
  - f) E-SP Integrated Services Pte Ltd;
  - g) Etor United Engineering (S) Pte Ltd;
  - h) Huang Soon Electrical Engineering Works;
  - i) Integrated One Construction Pte Ltd;
  - j) MME Services;
  - k) Ronnie Lim Electrical and Plumbing Contractor;
  - l) System Technic Engineering Pte Ltd;
  - m) Toplist Mechanical and Electrical Services; and
  - n) Triple H Technology Pte Ltd.
3. The companies colluded to submit bids for 10 electrical or building works projects for these properties:
  - a) The Esplanade Co Ltd;
  - b) Azalea Park;
  - c) Pinewood Gardens;

- d) The Makena;
  - e) Gloucester Mansions;
  - f) Tiara;
  - g) Precision Magnetics;
  - h) Kaki Bukit Industrial Building; and
  - i) Orrick Investments Pte Ltd.
4. CCS started its investigations into the cartel after receiving information from Arisco, one of the companies involved in the cartel. Arisco revealed to CCS that its previous management had entered into bid-rigging arrangements with other companies to coordinate the price of quotations.
  5. Typically, the company that was interested in winning the project (“the requester”) would request for a cover bid from at least one other company (“the supporter”). The requester would inform the supporters of his bid price so that the latter could submit a higher quote. In some instances, the requester even prepared the quotation for the supporters. This aims to create the false impression of competition.
  6. With information obtained from Arisco, CCS carried out surprise inspections at the premises of the companies, conducted interviews with the relevant personnel and issued notices seeking information and documents. In total, 14 companies were found to be involved in bid-rigging arrangements for 10 electrical and building works projects during the period of July 2007 to April 2009. The collusion between the 14 companies is reflected in the diagram below:



7. CCS considers bid-rigging to be a serious infringement of the section 34 prohibition against anti-competitive agreements. In 2008, CCS issued an infringement decision against 6 pest control companies. The companies colluded to submit tenders or quotations for termite treatment projects involving the use of Agenda, which is a pesticide. The financial penalties imposed on these 6 pest control companies totalled S\$262,759.66.
8. On 11 March 2010, CCS issued a proposed infringement decision to these 14 companies and gave them 6 weeks to make written representations on the case. CCS received representations from 7 out of 14 Parties by the deadline while the remaining 7 did not make any representations. All the 7 Parties who made representations did not contest liability but requested either for a waiver or reduction of penalties, or alternatively to pay their penalties by instalments.
9. The financial penalties levied on the fourteen companies are as follows:

| <b>Party</b>                                      | <b>Financial Penalty</b>  |
|---|---|
| Aldale Electrical Services Pte Ltd                | S\$5,000.00   |
| Alpha & Omega Engineering Services                | S\$5,000.00   |
| Arisco Engineering & Maintenance Services Pte Ltd | S\$0 [Immunity from financial penalty under the CCS Leniency Programme] |
| AVL Electrical Engineering Pte Ltd                | S\$36,904.91  |
| DAE Services                                      | S\$5,000.00   |
| E-SP Integrated Services Pte Ltd                  | S\$14,595.26  |
| Etora United Engineering (S) Pte Ltd              | S\$31,023.58  |
| Huang Soon Electrical Engineering Works           | S\$14,547.40  |
| Integrated One Construction Pte Ltd               | S\$44,889.05  |
| MME Services                                      | S\$5,000.00   |
| Ronnie Lim Electrical and Plumbing Contractor     | S\$5,000.00   |
| System Technic Engineering Pte Ltd                | S\$5,000.00   |
| Toplist Mechanical and Electrical Services        | S\$10,632.74  |
| Triple H Technology Pte Ltd                       | S\$5,000.00   |
| <b>Total</b>                                      | <b>S\$187,592.94</b>  |

- In fixing the appropriate amount of financial penalty, CCS took into account financial circumstances of the companies; the number of infringements the companies were involved in and the aggravating and mitigating factors.
10. Arisco came forward to CCS with information on the bid-rigging arrangement before any investigation commenced. Having met all the conditions of the CCS leniency programme, Arisco was granted total immunity from financial penalties.
  11. The CCS leniency programme is aimed at encouraging cartel members to come forward to assist CCS in uncovering cartels. Given the secretive nature of cartels, many competition agencies around the world have put in place leniency programmes to combat cartels. Without the leniency programmes, some cartels may never be uncovered and consumers will continue to be harmed by the cartels. Organisations which meet the conditions for leniency will enjoy full or partial immunity from financial penalties.
  12. Mr Teo Eng Cheong, Chief Executive of CCS, said:  
  
“CCS is glad that the new management of Arisco realised what the company did was wrong and came forward to report the cartel activities. As a result, CCS was able to successfully break up the cartels.”
  13. Further information on the investigation, analysis of the case and the basis for the calculation of the financial penalty imposed on the infringing parties are set out in the Infringement Decision (ID) and the document is available on website [www.casebank.ccs.gov.sg](http://www.casebank.ccs.gov.sg).

### **About CCS**

CCS is a statutory body established under the Act on 1 January 2005 to administer and enforce the Competition Act. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties. For more information, visit [www.ccs.gov.sg](http://www.ccs.gov.sg).

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