

▶ THERE WERE 132 CASES INVOLVING AN ORGANIZATIONAL OFFENDER REPORTED TO THE UNITED STATES SENTENCING COMMISSION IN FISCAL YEAR 2016.¹

▶ THE MOST COMMON OFFENSES COMMITTED BY ORGANIZATIONAL OFFENDERS WERE FRAUD AND ENVIRONMENTAL CRIMES.

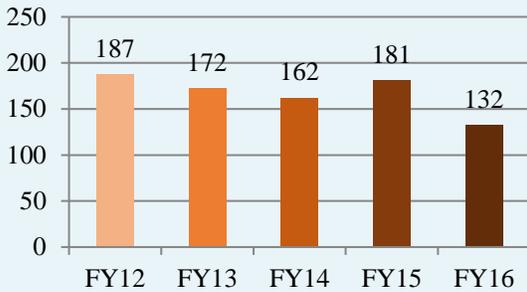
Quick



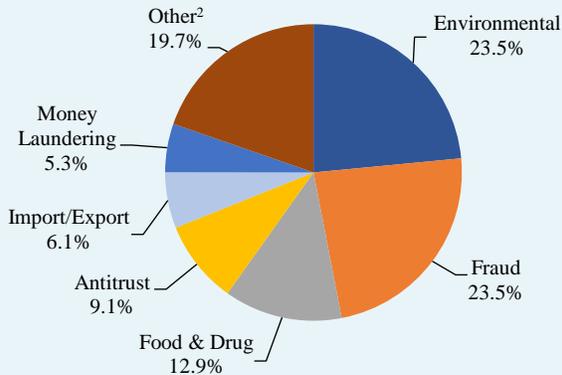
Facts

Organizational Offenders¹

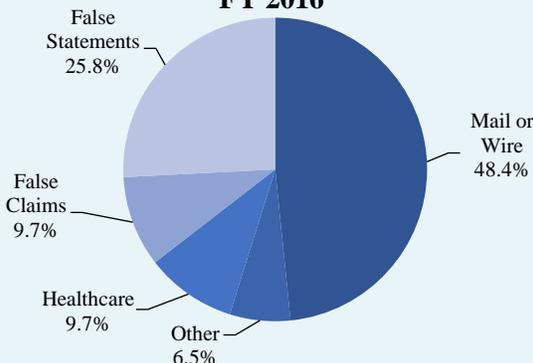
Number of Organizational Cases



Organizational Cases by Primary Offense FY 2016



Types of Fraud Offenses FY 2016



What is an Organizational Offender?

Chapter Eight of the *Guidelines Manual* governs the sentencing of persons other than individuals. This group includes corporations, partnerships, unions, trusts, pension funds, and non-profits.

For some crimes, Chapter Eight provides a formula to calculate the minimum and maximum fine applicable to a defendant after consideration of several factors pertaining to culpability. In other cases, such as those involving environmental crimes, the *Guidelines Manual* instructs the sentencing judge to “determine the appropriate fine by applying the provisions of 18 U.S.C. §§ 3553 and 3572.” Chapter Eight also provides guidance for the imposition of a term of probation or other costs (such as forfeiture) against a defendant.

In fiscal year 2016, there were 132 organizations convicted of a federal offense, a decrease of 27.1% from the previous year.

Organizational Offender Characteristics

- In fiscal year 2016, most organizational offenders were established in the United States (81.8%).
- Most of these organizations were owned by private entities: closely-held or private corporations (63.8%), limited liability companies (20.2%), and sole proprietorships (8.5%). Only one (1.1%) was a publicly-traded corporation.
- The majority of the organizational offenders employed fewer than 50 workers (74.3%). Nearly one-tenth of the organizational offenders employed 1,000 employees or more (7.1%).
- Slightly more than one-fifth (22.0%) of the organizations had a history of misconduct, including previous criminal or civil adjudications against the organization or pending charges.

Offense Characteristics

- The most common offenses committed by organizations were environmental (23.5%), fraud (23.5%), and food and drug (12.9%) crimes.
- Of the types of environmental offenses, 64.5% were water related, 19.4% were wildlife related, 12.9% were hazardous material related, and 3.2% were air related.
- Of the types of fraud offenses, 48.4% were mail or wire fraud, 25.8% were false statements, and 25.8% were other types of fraud (including false claims, health care fraud, and other).
- Over half (53.8%) of all organizational cases involved at least one related individual who was separately convicted in addition to the organization.

¹ Only organizations convicted of a federal offense are included in Commission data. The Commission does not collect data on other dispositions, including non-prosecution or deferred prosecution agreements.

² The “Other” primary offense category includes: bribery, other, drugs, immigration, racketeering, copyright/trademark infringement, obstruction of justice, tax, firearms, foot stamps, and gambling offenses.

Quick Facts

Organizational Offenders¹

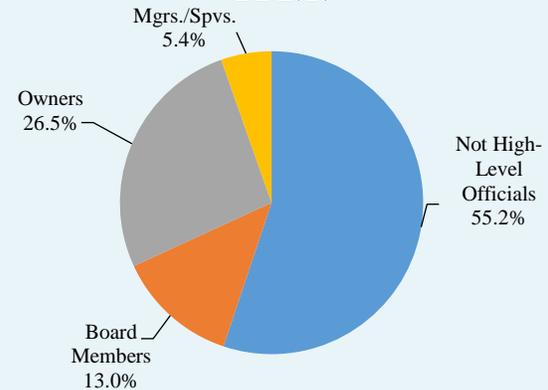
Chapter Eight Application

- Over one-third (36.6%) of the 132 organizational offenders were sentenced pursuant to the Chapter Eight fine provisions (found in USSG §§8C2.1-8C2.9). The remaining offenders were sentenced pursuant to §8C2.10.
- Of the 48 organizations sentenced under §§8C2.1-8C2.9:
 - Twenty-one (44.7%) organizations had fewer than ten employees.
 - Two organizations (4.3%) had a prior criminal or administrative violation.
 - No organization had violated a judicial order or condition.
 - One organization (2.1%) obstructed justice.
 - One (2.1%) organization had an effective compliance and ethics program.
 - Twenty-nine (61.7%) of the organizations received an adjustment for cooperating with the investigation and accepting responsibility for the offense.
 - An additional twelve organizations (25.5%) accepted responsibility for the offense but did not cooperate in the investigation.

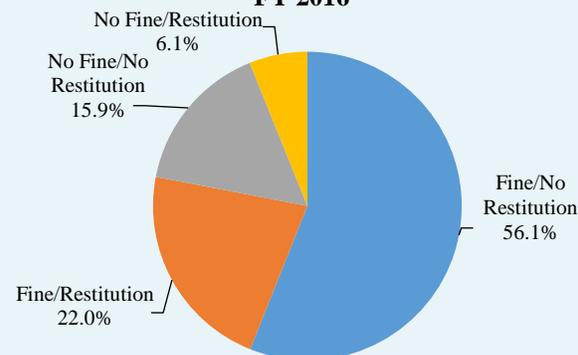
Punishment

- In fiscal year 2016, 97.7% of all organizational offenders pled guilty.
- Sixty percent (60.6%) of the organizations were sentenced to probation.
- Approximately one-fifth (20.5%) of all organizational offenders were ordered to develop a compliance and ethics program, usually as a condition of probation.
- Of the organizational offenders, 84.1% were sentenced to pay a fine, restitution, or both.
 - A fine was imposed on over three-quarters (78.0%) of these organizations. The median fine amount ordered was \$200,000 and the average fine amount was \$12,616,605.
 - Slightly more than one-quarter (28.0%) were ordered to pay restitution. The median restitution amount ordered was \$174,778 and the average restitution amount was \$4,982,025.
- One-quarter (24.2%) of the organizational offenders were ordered to forfeit money. The median forfeiture amount was \$737,471 with an average forfeiture amount of \$858,548.

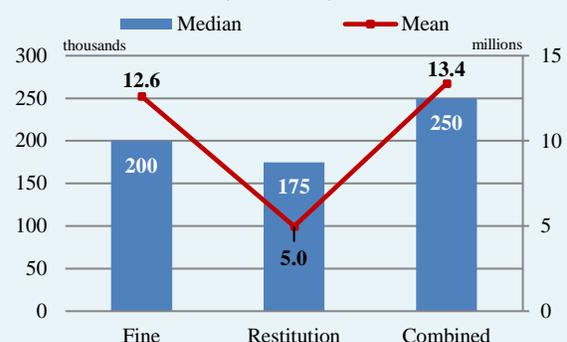
Level of Authority of Individuals Convicted With Organizational Offenders FY 2016



Types of Monetary Sentences Imposed on Organizational Offenders FY 2016



Fine, Restitution, and Combined Amount (in dollars)



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