



Quick Facts

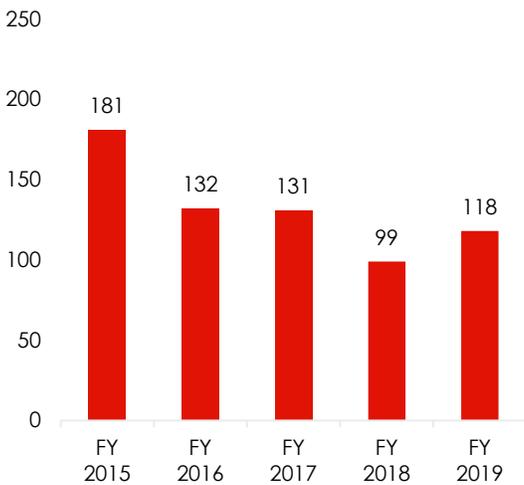


— Organizational Offenders —

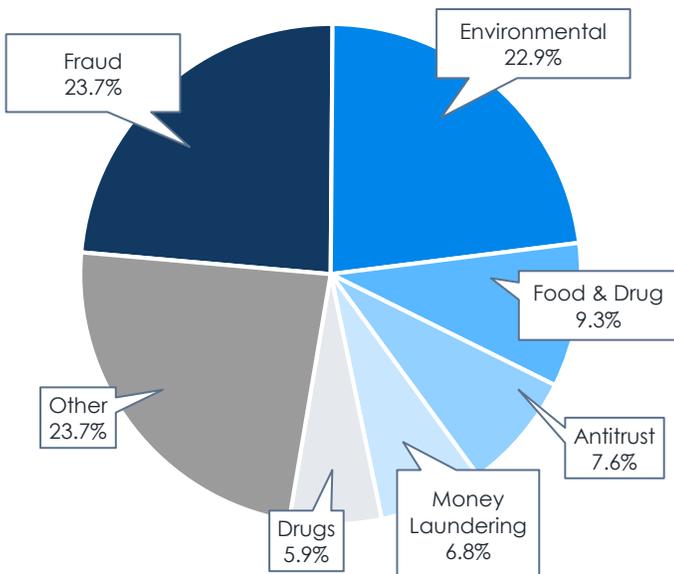
Fiscal Year 2019

- ▶ IN FY 2019, 118 CASES INVOLVING AN ORGANIZATIONAL OFFENDER WERE REPORTED TO THE U.S. SENTENCING COMMISSION.¹
- ▶ THE MOST COMMON OFFENSES COMMITTED BY ORGANIZATIONAL OFFENDERS WERE FRAUD AND ENVIRONMENTAL CRIMES.

Number of Organizational Offenders



Organizational Offenders by Primary Offense²



What is an Organizational Offender?

Chapter Eight of the *Guidelines Manual* governs the sentencing of corporations, partnerships, unions, trusts, pension funds, and non-profit organizations.

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 imposing a term of probation or other costs (such as forfeiture) against a defendant.

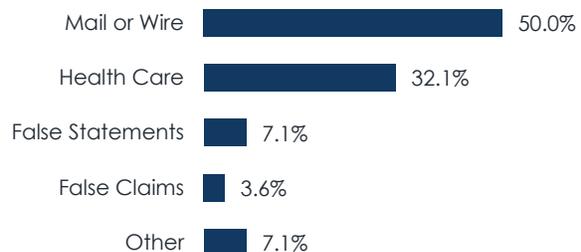
Organizational Offender Characteristics

- 78.7% of organizational offenders were located within the United States.
- Most organizations were closely-held or private corporations (63.3%) or limited liability companies (20.4%).
- 8.2% were publicly-traded corporations.
- 65.8% employed fewer than 50 workers; 10.3% employed 1,000 employees or more.
- 18.9% had a history of misconduct, including previous criminal or civil adjudications against the organization or pending charges.

Offense Characteristics

- The most common offenses were fraud (23.7%), environmental (22.9%), food and drug (9.3%), and antitrust (7.6%) crimes.
- Of the types of environmental offenses, 51.9% were water related, 29.6% were hazardous material related, 14.8% were air related, and 3.7% were wildlife related.
- 58.5% of all organizational cases involved at least one related individual who was separately indicted in addition to the organization.

Types of Fraud Offenses





— **Organizational Offenders** —

Chapter Eight Application

- 49.1% of the 118 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 57 organizations sentenced under §§8C2.1-8C2.9:
 - ◆ 24 organizations (42.1%) had fewer than ten employees.
 - ◆ Two organizations (3.5%) had a prior criminal or administrative violation.
 - ◆ None had violated a judicial order or condition.
 - ◆ Seven organizations (12.3%) obstructed justice.
 - ◆ None had an effective compliance and ethics program.
 - ◆ 30 organizations (52.6%) received an adjustment for cooperating with the investigation and accepting responsibility for the offense.
 - ◆ 19 organizations (33.3%) received an adjustment for acceptance of responsibility for the offense but did not receive an adjustment for cooperating in the investigation.

Punishment

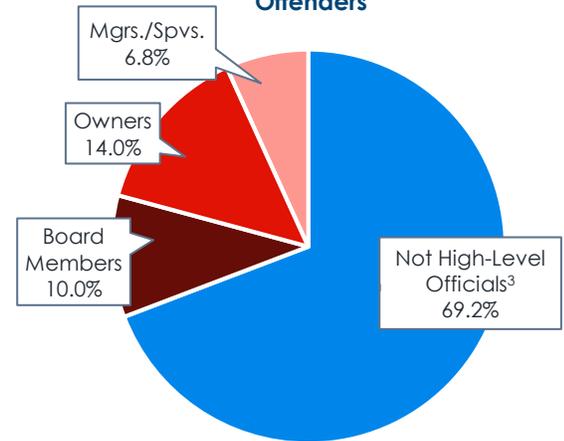
- 94.1% of all organizational offenders pled guilty.
- 67.8% were sentenced to probation.
- 18.6% were ordered to develop a compliance and ethics program, usually as a condition of probation.
- 90.7% were sentenced to pay a fine, restitution, or both:
 - ◆ 84.1% of these organizations had a fine imposed.
 - ◇ The median fine amount ordered was \$500,000 and the average fine amount was \$10,528,428.
 - ◆ 30.8% were ordered to pay restitution.
 - ◇ The median restitution amount ordered was \$644,690 and the average restitution amount was \$4,799,934.
 - ◆ 18.6% were ordered to forfeit money.
 - ◇ The median forfeiture amount was \$1,166,049 and the average forfeiture amount of \$27,378,238.

¹ The Commission does not collect data on other dispositions, including non-prosecution or deferred prosecution agreements.

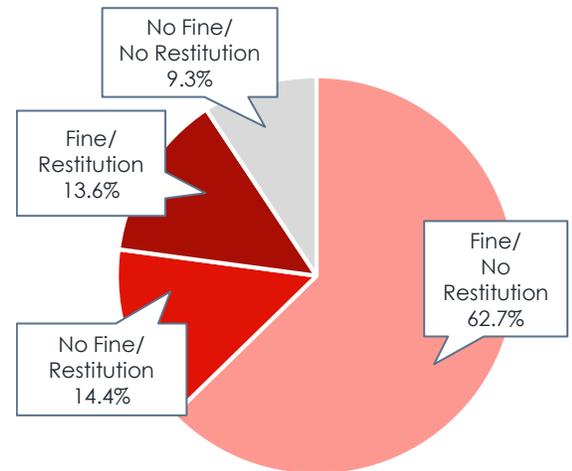
² The "Other" primary offense category includes: immigration (5), import/export violations (5), bribery (4), administration of justice (3), obstruction of justice (3), copyright infringement (2), food stamps fraud (2), tax fraud (2) larceny (1), and racketeering (1).

³ "Not High-Level Officials" could include individuals from related cases who were not employed by the organizational offender.

Level of Authority of Individuals Charged With Organizational Offenders



Types of Monetary Sentences Imposed on Organizational Offenders



Fine, Restitution, and Combined Amount (\$)

