



## STATEMENT OF THE DEPARTMENT OF JUSTICE ANTITRUST DIVISION AND FEDERAL TRADE COMMISSION ON PRESERVING COMPETITION IN THE WAKE OF HURRICANE IDA

In the wake of the damage resulting from Hurricane Ida, the Antitrust Division of the Department of Justice (Antitrust Division) and the Federal Trade Commission (FTC) (the Agencies) recognize that cooperation among federal, state, and local governments, private organizations, and businesses will be necessary to rebuild the communities and economies affected by the hurricane. The Agencies understand that Ida may have affected numerous business sectors, including health care, housing, telecommunications, and retail. Collaborative agreements can enable businesses to recover more quickly by allowing them to jointly bring goods or services to consumers faster than they could have done on their own.<sup>1</sup> For example, hospitals or other health care facilities temporarily may need to combine certain resources or services to meet the health care needs of affected communities, or two or more firms might combine their distribution networks to better or more quickly bring needed supplies to their customers. The federal antitrust laws are sufficiently flexible to permit these beneficial collaborations, including those formed between competitors, especially when they are appropriate in scope and limited in duration to respond to disasters.<sup>2</sup>

By contrast, some companies and individuals may intend to take advantage of the devastation caused by Ida and prey on the people and communities affected.<sup>3</sup> This behavior will not be tolerated. The Agencies will hold accountable any businesses or individuals attempting to illegally subvert competition or engage in fraudulent conduct under the guise of disaster recovery. The Antitrust Division routinely assists federal, state, and local government agencies in preventing and detecting violations of the criminal antitrust laws and related federal crimes, including collusion in the competitive bidding process for public procurement.<sup>4</sup> The division has a long

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<sup>1</sup> See U.S. DEP'T OF JUSTICE & FED. TRADE COMM'N, Antitrust Guidelines for Collaborations Among Competitors (2000), available at <http://www.ftc.gov/os/2000/04/ftcdojguidelines.pdf>.

<sup>2</sup> See U.S. DEP'T OF JUSTICE & FED. TRADE COMM'N, Antitrust Guidance — Hurricanes Harvey and Irma (Sept. 12, 2017), available at <https://www.justice.gov/atr/page/file/996516/download>; U.S. DEP'T OF JUSTICE & FED. TRADE COMM'N, Antitrust Guidance — Hurricanes Katrina and Rita (Sept. 27, 2005), available at <https://www.justice.gov/sites/default/files/atr/legacy/2006/04/27/211541.pdf>.

<sup>3</sup> See e.g., U.S. Dep't Justice, U.S. Atty's Office Middle District of Louisiana, Tips on Avoiding Fraudulent Charitable Contribution Schemes, (Sept. 7, 2021), <https://www.justice.gov/usao-mdla/pr/tips-avoiding-fraudulent-charitable-contribution-schemes-0>.

<sup>4</sup> The Procurement Collusion Strike Force, U.S. DEP'T OF JUSTICE (2020), <https://www.justice.gov/atr/division-operations/antitrust-division-update-2020/pcsf>.

history of finding and prosecuting anticompetitive or fraudulent schemes that follow disasters.<sup>5</sup> As a member of the National Center for Disaster Fraud Task Force, the Antitrust Division is committed to offering its expertise and assistance in the wake of the devastation caused by Ida.<sup>6</sup>

In addition, both the Antitrust Division and FTC have authority to investigate and bring cases involving civil violations of the antitrust and consumer protection laws. For example, FTC will investigate and take action against companies and individuals that target victims of natural disasters in violation of the consumer protection laws. Anyone who thinks they've seen a scam should talk with someone. Talking about it could help avoid that scam. In addition, all suspected scams should be reported to the FTC at [ReportFraud.ftc.gov](https://www.ftc.gov/ReportFraud). This helps the FTC stop scammers.

Anyone with information on price-fixing, bid-rigging, market-allocation agreements, or other anticompetitive conduct involving disaster recovery should call the Antitrust Division's Citizen Complaint Center at 1-888-647-3258, or visit <http://www.justice.gov/atr/report-violations>.

Consumers or businesses with concerns about fraudulent activity related to Hurricane Ida can call the Disaster Fraud Hotline at 1-866-720-5721, or visit <https://www.justice.gov/disaster-fraud/how-report-disaster-related-fraud>.

Additionally, the Department of Homeland Security (DHS), Office of the Inspector General (OIG) investigates allegations of waste, fraud, and abuse related to the DHS. If you have information about waste, fraud, and abuse of DHS programs, including disaster relief programs administered by the Federal Emergency Management Administration, you should contact the DHS OIG at 1-800-323-8603 or <https://www.oig.dhs.gov/hotline>.

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<sup>5</sup> See Disaster Recovery, U.S. DEP'T OF JUSTICE, <https://www.justice.gov/atr/disaster-recovery#katrina> (last visited Sept. 8, 2021, 9:49AM).

<sup>6</sup> See generally U.S. DEP'T OF JUSTICE, Preventing and Detecting Bid Rigging, Price Fixing, and Market Allocation in Post-Disaster Rebuilding Projects (June 25, 2015), available at <https://www.justice.gov/atr/page/file/997121/download>.