

▶ THERE WERE 181 CASES INVOLVING AN ORGANIZATIONAL OFFENDER REPORTED TO THE UNITED STATES SENTENCING COMMISSION IN FISCAL YEAR 2015.¹

▶ THE MOST COMMON OFFENSE COMMITTED BY ORGANIZATIONAL OFFENDERS WAS ENVIRONMENTAL CRIME.

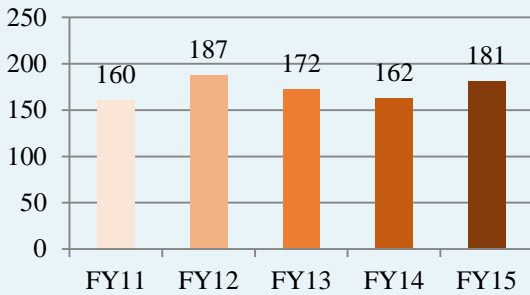
Quick



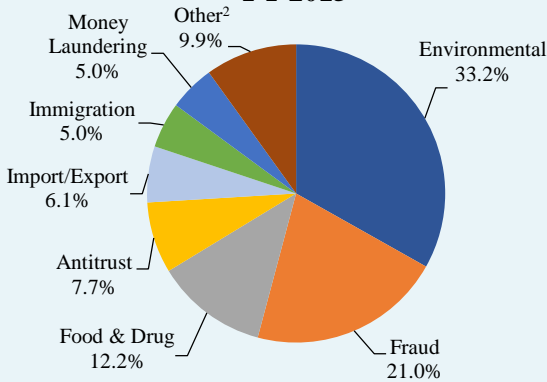
Facts

Organizational Offenders¹

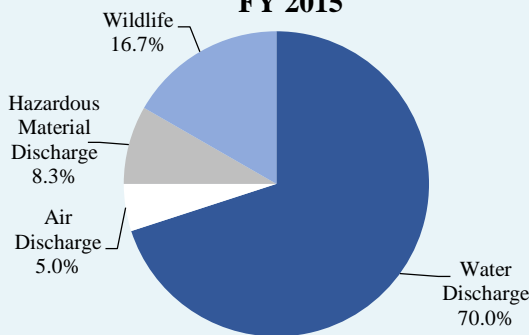
Number of Organizational Cases



Organizational Cases by Primary Offense FY 2015



Types of Environmental Offenses FY 2015



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 2015, there were 181 organizations convicted of a federal offense, an increase of 11.7% from the previous year.

Organizational Offender Characteristics

- In fiscal year 2015, most organizational offenders were established in the United States (78.3%).
- Most of these organizations were owned by private entities: closely-held or private corporations (46.5%), limited liability companies (27.5%), and sole proprietorships (11.3%). Only a small minority (3.5%) were publicly-traded corporations.
- The majority of the organizational offenders employed fewer than 50 workers (69.9%). One-tenth of the organizational offenders employed 1,000 employees or more (10.7%).
- Slightly more than one-quarter (27.6%) 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 (33.2%), fraud (21.0%), and food and drug (12.2%) crimes.
- Of the types of environmental offenses, 70.0% were water related, 16.7% were wildlife related, 8.3% were hazardous material related, and 5.0% were air related.
- Of the types of fraud offenses, 27.0% were mail or wire fraud, 21.6% were health care fraud, 18.9% were false statements, and 32.4% were other types of fraud (including false claims and bank fraud).
- Nearly sixty percent (58.6%) 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: copyright/trademark infringement, drugs, other, tax, administration of justice, bribery, contraband, and gambling offenses.

Quick Facts

Organizational Offenders¹

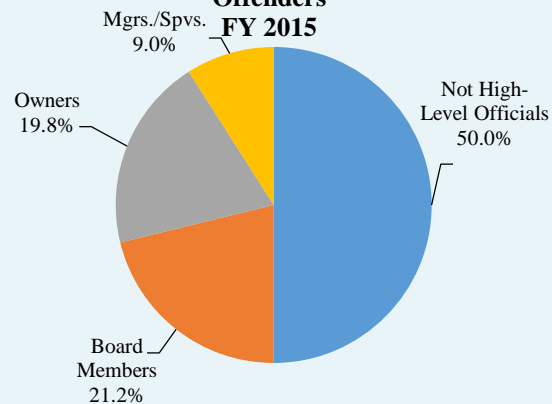
Chapter Eight Application

- One-third (33.7%) of the 181 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 61 organizations sentenced under §§8C2.1-8C2.9:
 - ◆ Twenty-nine (48.3%) organizations had fewer than ten employees.
 - ◆ No organization had a prior criminal or administrative violation.
 - ◆ No organization had violated a judicial order or condition.
 - ◆ Two organizations (3.3%) obstructed justice.
 - ◆ No organization had an effective compliance and ethics program.
 - ◆ Thirty-seven (61.7%) of the organizations received an adjustment for cooperating with the investigation and accepting responsibility for the offense.
 - ◆ An additional twenty-one organizations (35.0%) accepted responsibility for the offense but did not cooperate in the investigation.

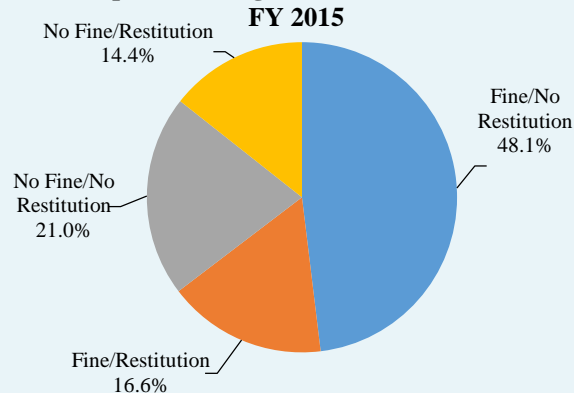
Punishment

- In fiscal year 2015, 97.8% of all organizational offenders pled guilty.
- Approximately three-quarters (76.8%) of the organizations were sentenced to probation.
- Slightly more than one-quarter (28.2%) of all organizational offenders were ordered to develop a compliance and ethics program, usually as a condition of probation.
- Of the organizational offenders, 79.0% were sentenced to pay a fine, restitution, or both.
 - ◆ A fine was imposed on nearly two-thirds (64.6%) of these organizations. The median fine amount ordered was \$325,000 and the average fine amount was \$22,955,664.
 - ◆ Nearly one-third (30.9%) were ordered to pay restitution. The median restitution amount ordered was \$407,541 and the average restitution amount was \$19,471,981.
- One-fifth (19.3%) of the organizational offenders were ordered to forfeit money. The median forfeiture amount was \$775,000 with an average forfeiture amount of \$4,503,252.

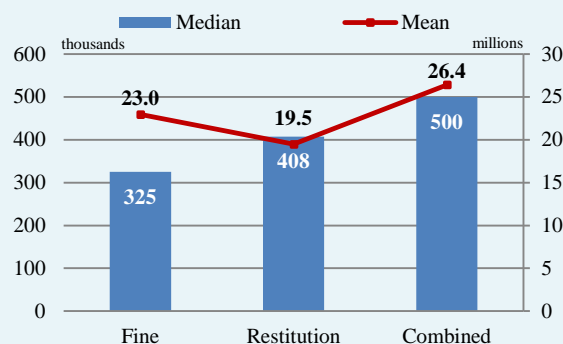
Level of Authority of Individuals Convicted With Organizational Offenders



Types of Monetary Sentences Imposed on Organizational Offenders



Fine, Restitution, and Combined Amount (in dollars)



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