



Attorney General Remarks

Many Americans start each day with some kind of daily vitamin. In fact, many products we use every day are fortified with vitamins -- milk, bread, orange juice, and breakfast cereal.

Today, we are announcing an antitrust enforcement action that ensures that Americans won't have to pay illegally inflated prices for products that they use to try to stay healthy.

This morning, after an investigation by the Antitrust Division and the Dallas FBI, Swiss pharmaceutical giant, F. Hoffmann- La Roche agreed to plead guilty to leading a worldwide conspiracy to fix prices and allocate market shares for certain vitamins sold in the U.S. and elsewhere.

As a result, Hoffmann-La Roche has agreed to pay \$500 million - the largest criminal fine in history.

A German firm also agreed to plead guilty and pay a \$225 million fine for its role in the same antitrust conspiracy. These companies, along with other co-conspirator companies, agreed to fix and raise prices on Vitamins A, B2, B5, C, E, Beta Carotene and vitamin premixes. Vitamin premixes are used to enrich breakfast cereals and many other processed foods.

They agreed to allocate the volume of sales and market shares of these vitamins. They also divided up contracts amongst themselves to supply vitamin premixes to customers in the U.S. by rigging bids for those contracts.

They participated in meetings and conversations to make sure that they all adhered to the agreed-upon prices and market shares.

In addition, a former Hoffmann-La Roche executive was charged in the conspiracy and was also charged with lying to a government official to try to cover it up.

What they did was very wrong. Their illegal actions affected billions of dollars of sales in the U.S. alone -- and forced higher prices worldwide.

The victims here are not only the big companies with household names, who bought products directly from the cartel members.

In the end, on a daily basis for the past 10 years, every American consumer paid to eat and drink or use a product whose price was artificially inflated. Day by day, consumers took a hit in their wallet so that these co-conspirators could reap hundreds of millions of dollars in additional revenues.

Today's prosecutions should make one thing very, very clear - the Justice Department will not allow international cartels to prey on American consumers.

If you're currently engaged in or contemplating similar anticompetitive conduct, take note of the high cost of getting caught - \$500 million is not only a record fine in an antitrust case, but it is the highest fine the Justice Department has ever obtained in any criminal case. We mean business.

Joel Klein, who as all of you know has been very busy in this area, will be able to give you further information about the Antitrust Division's ongoing investigation and this case.