

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA

v.

SCHUTZ INTERNATIONAL, INC. and
RICHARD F. MACHAS,

Defendants.

Case No.: 97-CR114

Filed: [6/23/97]

Violation: 15 U.S.C. § 1

Judge Stadtmueller

INFORMATION

The United States of America, acting through its attorneys, charges:

I.

DESCRIPTION OF THE OFFENSE

1. Schutz International, Inc. ("Schutz") is hereby made a defendant on the charge stated below.
2. Richard F. Machas ("Machas") is hereby made a defendant on the charge stated below.
3. Beginning at least as early as the mid-1980's, and continuing until or about January 1996, the exact dates being unknown to the United States, the defendants and others entered into and engaged in a combination and conspiracy to suppress and eliminate competition by fixing prices, rigging bids, and allocating contracts for the sale of point-of-purchase displays to Miller Brewing Company.

The combination and conspiracy, engaged in by the defendants and co-conspirators, was in unreasonable restraint of interstate trade and commerce, in violation of Section One of the Sherman Act (15 U.S.C. § 1).

4. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendants and co-conspirators, the substantial terms of which were:

- (a) to agree to fix prices on the submission of bids for contracts for the sale of point-of-purchase displays to Miller Brewing Company;
- (b) to agree to submit collusive and rigged bids for contracts to sell point-of-purchase displays to Miller Brewing Company; and
- (c) to allocate contracts for the sale of point-of-purchase displays to Miller Brewing Company among and between the conspirators.

5. For the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendants and co-conspirators did those things which they combined and conspired to do, including, among other things:

- (a) participating in conversations to discuss the prices to bid on contracts for the sale of point-of-purchase displays to be awarded by Miller Brewing Company;
- (b) agreeing, during those conversations, to submit collusive, rigged bids on those contracts for the sale of point-of-purchase displays to be awarded by Miller Brewing Company;

- (c) agreeing, during those conversations, to allocate those contracts for the sale of point-of-purchase displays to be awarded by Miller Brewing Company among and between the conspirators;
- (d) submitting collusive and rigged bids on those contracts for the sale of point-of-purchase displays to be awarded by Miller Brewing Company;
- (e) receiving the contracts and purchase orders to supply Miller Brewing Company with the point-of-purchase displays;
- (f) providing point-of-purchase displays to Miller Brewing Company on contracts awarded on the basis of collusive and rigged bids; and
- (g) receiving payment from Miller Brewing Company on contracts awarded on the basis of collusive and rigged bids.

II.

DEFENDANTS AND CO-CONSPIRATORS

6. During the period covered by this Information, Schutz, a corporation organized and existing under the laws of the State of Delaware with its principal place of business in Morton Grove, Illinois, was involved in the sale of point-of-purchase displays in the United States. Schutz was formerly known as Thomas A. Schutz Co., Inc. During the period covered by this Information, Schutz was engaged in the business of developing, producing, selling, and distributing point-of-purchase displays to Miller Brewing Company.

7. During the period covered by this Information, defendant Machas, of Lake Forest, Illinois, was involved in the sale of point-of-purchase displays in the

United States in his capacity as Vice President of Sales, President, and Chief Executive Officer of Schutz. During the period covered by this Information, the defendant was engaged in the business of developing, producing, selling and distributing point-of-purchase displays to Miller Brewing Company.

8. Various corporations and individuals, including Zelman Levine, not made defendants in this Information, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

9. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

III.

TRADE AND COMMERCE

10. Point-of-purchase displays include plastic or neon bar taps, clocks, lights, lamps, or signs that contain the brand name or logo of the product to be sold. Point-of-purchase displays are placed by breweries in bars, restaurants, and stores to advertise their products to the consumer.

11. During the period covered by this Information, Miller Brewing Company purchased substantial quantities of permanent point-of-purchase display materials from suppliers located throughout the United States, including from defendant Schutz. These purchases were often made by issuing a contract or

purchase order to a supplier after the supplier had submitted a written price quotation or bid pursuant to the Miller Brewing Company's practice of seeking competitive bids for sizable contracts.

12. During the period covered by this Information, the defendants and co-conspirators obtained a substantial number of contracts for point-of-purchase displays from Miller Brewing Company through the submission of collusive, rigged bids.

13. During the period covered by this Information, the defendants and co-conspirators sold and distributed point-of-purchase displays in a continuous and uninterrupted flow of interstate commerce to Miller Brewing Company which is located in a state other than the states in which the defendants and certain co-conspirators developed and produced point-of-purchase displays.

14. In particular, during the period covered by this Information, Schutz developed and produced point-of-purchase displays in Illinois and sold and distributed those displays to Miller Brewing Company in Wisconsin and other states.

15. During the period covered by this Information, the activities of the defendants and co-conspirators with respect to the sale of point-of-purchase displays to Miller Brewing Company were within the flow of, and substantially affected, interstate trade and commerce.

IV.

JURISDICTION AND VENUE

16. The combination and conspiracy charged in this Information was formed and carried out, in part, in the Eastern District of Wisconsin within the five years preceding the filing of this Information.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Dated:

_____/s/_____
Joel I. Klein
Acting Assistant Attorney General
Antitrust Division

_____/s/_____
James H. Mutchnik

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