



Department of Justice

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MINNEAPOLIS PACKAGED-ICE COMPANY AGREES TO PLEAD GUILTY AND THREE FORMER EXECUTIVES PLEAD GUILTY TO CUSTOMER ALLOCATION CONSPIRACY

Company Agrees To Pay \$9 Million Criminal Fine

WASHINGTON – A packaged-ice company, headquartered in St. Paul, Minn., has agreed to plead guilty and to pay a \$9 million criminal fine for allocating customers, the Department of Justice announced today. In addition, three of the company's former executives pleaded guilty for their roles in the conspiracy to allocate customers.

According to a one-count felony charge filed under seal on Sept. 10, 2009, and unsealed today in the U.S. District Court in Cincinnati, Arctic Glacier International Inc. engaged in a conspiracy to suppress and eliminate competition by allocating packaged-ice customers in the Detroit metropolitan area and southeastern Michigan, beginning Jan. 1, 2001, and continuing until at least July 17, 2007. Under the plea agreement, which must be approved by the court, Arctic Glacier has agreed to cooperate with the Department's ongoing investigation.

According to separate one-count felony charges, also filed under seal on Sept. 10, 2009, and unsealed today in the U.S. District Court in Cincinnati, Frank Larson, Arctic Glacier's former senior vice president of operations, and Keith Corbin, the company's former vice president of sales and marketing, participated in the same conspiracy beginning at least as early as March 1, 2005, and continuing at least until July 17, 2007. According to an additional one-count felony charge filed under seal on Sept. 10, 2009, in the U.S. District Court in Cincinnati and unsealed today, Gary Cooley, the company's former vice president of sales and marketing, also participated in the conspiracy from at least as early as June 1, 2006, until July 17, 2007. Under the three separate plea agreements, which must be approved by the court, the former executives have agreed to cooperate with the Department's ongoing investigation.

In court documents, the Department said that the three former executives and Arctic Glacier, conspired with another packaged-ice competitor to allocate packaged-ice customers in southeastern Michigan and the Detroit metropolitan areas. As a part of the conspiracy, Arctic Glacier, its former executives and other co-conspirators exchanged information for the purpose of monitoring and enforcing adherence to the agreed customer allocations and refrained from competing for the allocated customers.

Arctic Glacier, Larson, Corbin and Cooley are each charged with allocating packaged-ice customers in violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a \$1 million fine for individuals and a \$100 million fine for corporations. The maximum fines may be increased to twice the gain derived from the crime or twice the loss suffered by the victims if either of those amounts is greater than the Sherman Act maximum fines.

These charges stem from an ongoing antitrust investigation into the packaged-ice industry. As a part of the same investigation, Home City Ice Company pleaded guilty on June 17, 2008, for its participation in a conspiracy to allocate customers and territories in the packaged-ice industry. The investigation is being conducted by the Antitrust Division's Cleveland Field Office and by FBI offices in Ann Arbor, Mich.; Indianapolis, Ind.; Dallas, Texas; and Cincinnati and Toledo, Ohio.

Anyone with information concerning customer or territorial allocation agreements, or other anticompetitive conduct in the packaged-ice industry, should contact the Cleveland Field Office of the Antitrust Division at 216-687-8400.

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