



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, JUNE 1, 1972

The Department of Justice filed a civil antitrust suit today charging the American Institute of Certified Public Accountants with eliminating price competition among its members in the sale of accounting services.

Acting Attorney General Richard G. Kleindienst said the complaint and a proposed consent judgment -- which will become final in 30 days upon approval by the Court -- were filed together in U.S. District Court in Washington, D.C.

The Institute is a non-profit membership corporation and approximately 74,000 certified public accountants in the United States are members.

Acting Assistant Attorney General Walker B. Comegys, in charge of the Antitrust Division, said the suit charged that the Institute and its members have for many years combined to violate Section 1 of the Sherman Act by agreeing that:

-- the Institute adopt, publish and distribute a Code of Professional Ethics containing a provision prohibiting Institute members from submitting competitive bids for accounting services; and,

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-- the Institute and its members abide by such provision and police adherence to its terms.

As a result of these Institute practices, price competition among the member accountants in the sale of their services has been eliminated and customers requiring the accounting services offered by Institute members have been deprived of the benefits of free and open competition, the complaint said.

The proposed consent judgment would enjoin the Institute from:

-- adopting any plan, program or course of action which prohibits member accountants from submitting price quotations for accounting services to persons seeking such services; and,

-- adopting or disseminating, in any of its publications or otherwise, any Code of Ethics, rule, by-law, resolution or policy statement which prohibits or limits the submission or price quotations for accounting services by members to persons seeking such services or which states or implies that the submission of price quotations for accounting services by member accountants is unethical, unprofessional, or contrary to any Institute policy.

The proposed judgment also declares null and void the Institute's rule which provides that a member shall not

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make a competitive bid for accounting services, and directs the Institute to delete that provision from its Code of Professional Ethics.

In addition, the judgment also requires the Institute to delete from its Code of Ethics, rules, by-laws, resolutions and other policy statements, any provision which prohibits or limits the submission of price quotations for accounting services by members or which states or implies that such submissions are unethical, unprofessional, or contrary to any Institute policy.

Comments to the Department of Justice and the Court regarding the proposed judgment are invited from members of the public during the 30-day waiting period prior to the judgment becoming final.