



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, SEPTEMBER 9, 1976

AT

A federal grand jury today indicted five Florida linen service companies and four of their executives on charges of conspiring to allocate customers among themselves, in violation of Section 1 of the Sherman Act.

Attorney General Edward H. Levi said the indictment and a companion civil suit were filed in U.S. District Court in Fort Lauderdale.

Named as defendants in the indictment were:

- American Service Corporation, Miami;
- City Linen Coat & Apron Supply Service, Inc., Miami (a subsidiary of American Service Corporation);
- Southern Linen Supply & Laundry Co., Inc., West Palm Beach, Florida (a subsidiary of American Service Corporation);
- National Service Industries, Inc., Atlanta, Georgia;
- Sanitary Linen Service Co. of Florida, Miami;
- Jerome Herskowitz, president and director of American Service Corporation, and director of City Linen, Coat & Apron Supply Service, Inc. and Southern Linen Supply & Laundry Co., Inc.;
- William Strnisko, linen service sales manager of American Service Corporation;
- Irving Berlin, Miami branch manager of National Service Industries, Inc., and
- Bernard Trichter, vice president and general manager of Sanitary Linen Service Co. of Florida.

The civil suit named only the five companies as defendants.

OVER



Assistant Attorney General Donald I. Baker, in charge of the Antitrust Division, said that the indictment and the civil suit charged the defendants with conspiring since some time prior to 1964 until September of 1974 to divide, allocate and apportion customers among themselves in the south Florida area, including Palm Beach, Broward and Dade Counties, and that part of Monroe County known as the Florida Keys.

The indictment and complaint charged that as a result of the conspiracy:

-- competition in the linen service industry in south Florida has been restrained;

-- the freedom of customers to do business with linen service companies of their choice in south Florida has been restricted, and

-- the prices charged by linen service companies in south Florida have been stabilized and maintained at noncompetitive and artificial levels.

The corporate defendants did about \$11 million in business in south Florida in 1973.

The maximum penalty upon conviction of a corporation is a \$50,000 fine, and the maximum penalty upon conviction of an individual is a \$50,000 fine and one year in prison.

The civil suit asks that the companies be permanently enjoined from reviving the alleged customer allocation scheme, and from engaging in any practices having a similar purpose or effect.

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