



Department of Justice

FOR IMMEDIATE RELEASE
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A federal grand jury in New York today indicted the Wholesale Tobacco Distributors of New York Inc., a trade association of direct jobbers of cigarettes in the New York City area, on charges of conspiring with its members to fix wholesale cigarette prices in violation of Section 1 of the Sherman Act.

Attorney General Griffin B. Bell said the indictment and a companion civil case were filed in the U. S. District Court in Manhattan. The civil case names the Association and nine of its member companies as defendants.

Named in the civil case along with the Association were:

- Metropolitan Tobacco Company, Inc., Long Island City, New York;
- Valley Stream Distributors Co., Inc., Deer Park, New York;
- Modern Tobacco Company, Inc., Port Chester, New York;
- J. Rosenberg & Sons Tobacco and Confectioners, Inc., Brooklyn, New York;
- Sanders-Langsam Tobacco Co., Inc., Long Island City, New York;

(MORE)

- William Bloomrosen & Son, Inc., Brooklyn,
New York;
- Jos. A. Schragger, Inc., Bronx, New York;
- Nu Service Tobacco Co., Inc., Brooklyn, New York;
and
- Globe Wholesale Company, Brooklyn, New York.

According to the indictment and complaint, cigarettes are purchased by direct jobbers from the manufacturers for resale within New York City. The member companies of the Association include the largest direct jobbers of cigarettes in New York City, the indictment and complaint state.

Donald I. Baker, Assistant Attorney General in charge of the Antitrust Division, said the indictment charges that since as early as 1965 the Association and its members have communicated to each other at Association meetings and on other occasions their intention to raise the wholesale prices of cigarettes in New York City, and jointly established the amount and effective date of such increases.

Association members, the indictment and complaint state, accounted for approximately 90 percent of the \$300 million in cigarette sales made by direct jobbers in New York City in 1975.

The civil suit asks that the Association and the other defendants be permanently enjoined from continuing the alleged price-fixing scheme, and from engaging in any practices having a similar purpose or effect.

The maximum penalty upon conviction of the Association is a one million dollar fine.