



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, APRIL 22, 1977

AT
202-739-2014

A federal grand jury today indicted three Arkansas dairies and two of their officials on price-fixing and bid-rigging charges.

The defendants were accused of conspiring to fix wholesale list prices of dairy products in central Arkansas and to submit collusive and rigged bids to government agencies, school districts, and other institutions in that area.

Named as defendants were:

- Borden, Inc., Little Rock, Arkansas.
- Coleman Dairy, Inc., Little Rock, Arkansas.
- Dean Foods Products Company, Inc., Conway, Arkansas, and Memphis, Tennessee.
- Simeon Walter Lynn, Sales Manager, Dean Foods Products Company, Inc.
- Eugene F. Proctor, General Manager of Borden, Inc.'s, Little Rock dairy during the alleged conspiracy.

Attorney General Griffin B. Bell said the indictment, charging a felony violation of Section 1 of the Sherman Act, and a companion civil suit were filed in U. S. District Court in Little Rock.

The corporations sell dairy products to retail grocery stores, restaurants, government agencies, and institutional buyers, such as schools and hospitals.

(MORE)

Total sales by the defendant corporations in Arkansas in 1975 exceeded \$45 million.

Assistant Attorney General Donald I. Baker, in charge of the Antitrust Division, said that beginning at least as early as February, 1971, and continuing until sometime in or around June, 1976, the defendants met and agreed to fix the wholesale list prices of dairy products sold by the corporations in central Arkansas and to submit collusive bids to government agencies, school districts, and other institutions in central Arkansas.

According to the indictment and complaint, the effects of the conspiracy have been to raise the prices of dairy products to artificial levels, to restrain competition in their sale, and to deprive purchasers of the benefits of free competition.

The maximum penalty upon conviction for each corporation would be a \$1 million fine, and for each individual a fine of \$100,000 and three years' imprisonment.

The civil complaint requests the Court to enjoin the defendants from continuing or renewing the conspiracy.

#