



Department of Justice

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The Department of Justice filed a civil antitrust suit today alleging that the State Board of Certified Public Accountants of Louisiana is restraining competition among certified public accountants by unreasonably restricting advertising and solicitation, in violation of Section 1 of the Sherman Act.

Deputy Attorney General Edward C. Schmults said the suit was filed in U.S. District Court in New Orleans.

The Board is composed of five practicing CPAs appointed by the governor of Louisiana from a slate of nominees chosen by the Society of Louisiana Certified Public Accountants. The Board is the sole licensing authority of CPAs in Louisiana. Under Louisiana law, the Board may adopt and enforce rules of professional conduct for CPAs.

According to William F. Baxter, Assistant Attorney General in charge of the Antitrust Division, the complaint charges that the defendant is restraining competition through rules of professional conduct that unreasonably restrict CPAs in soliciting business. The rules also prohibit CPAs from including in their advertisements truthful and useful information concerning past performance, area of specialization and other matters of interest to clients and potential clients, the complaint said.

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The complaint also charges that the Board has enforced its rules in a manner that has unreasonably prevented and discouraged accounting firms from conveying in advertisements or through solicitation information useful to consumers of CPAs' services.

According to the complaint, the effects of this unlawful conduct have been to restrain competition in the sale of CPAs' services and to deprive consumers of information about those services and of the benefits of free and open competition in the sale of those services. The complaint further alleges that the unlawful conduct has prevented CPAs from making their services fully known and available to consumers.

The suit asks that the Board be enjoined from maintaining, adopting or enforcing any rule which has the purpose or effect of unreasonably restricting advertising or solicitation by CPAs.

Baxter emphasized that the complaint does not seek to prevent the Board from maintaining, adopting or enforcing rules prohibiting false, misleading or deceptive advertising or solicitation.

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