



Department of Justice

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The Department of Justice announced today it has filed a civil antitrust suit against the Association of Engineering Geologists, of Brentwood, Tennessee, alleging that it restricted advertising, price competition and solicitation in the sale of engineering geology services.

Attorney General William French Smith said that the suit, alleging a violation of Section 1 of the Sherman Act, was filed yesterday in the U.S. District Court in Los Angeles, California.

The Association is a nationwide organization of approximately 2,700 members engaged in various aspects of civil engineering that involve the study of rock and soil formations or subsurface fluids. Approximately 360 of these members reside in the Los Angeles area.

Douglas H. Ginsburg, Acting Assistant Attorney General in charge of the Antitrust Division, said the complaint alleged that the defendant and co-conspirators have entered into an unlawful agreement to adopt a code of ethics which requires that members charge only those fees which are customary in their respective areas and which also prohibits commercial advertising, competitive price proposals, and solicitation of engineering geology engagements.

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According to the suit, the effect of the code of ethics has been to restrict advertising, price competition, and solicitation in the sale of engineering geology services and to deprive consumers of the benefits of free and open competition in the sale of such services.

The suit asks that the Association be enjoined from having any rule which restricts advertising, price competition, or solicitation.

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