



# Department of Justice

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## HUGHES CHRISTENSEN CHARGED WITH DRILL BIT PRICE FIXING

WASHINGTON, D.C. -- The Department of Justice today filed a one-count felony information in federal court against Hughes Christensen Co. for an antitrust violation stemming from a conspiracy to increase the price of tricone drill bits.

The information, filed in U.S. District Court in Houston, Texas, charged Hughes Christensen with entering into and engaging in a conspiracy with unnamed co-conspirators to suppress competition by fixing prices for the sale of tricone drill bits in the United States. Tricone drill bits are commonly used on oil drilling rigs to cut through soil and rock.

The information charged that the conspiracy, a violation of the Sherman Act, began on or about March 6, 1989, and continued until on or about May 11, 1989.

Hughes Christensen, a Delaware corporation headquartered in Houston, Texas, is a wholly-owned subsidiary of Baker Hughes Inc.

During the period cited in the information, Hughes Christensen, then known as Hughes Tool Co., manufactured and sold tricone drill bits to oil field customers in the United States and abroad. Hughes Christensen is the largest producer of

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tricone drill bits. Domestic sales totaled more than \$220 million in 1989.

J. Mark Gidley, Acting Assistant Attorney General in charge of the Antitrust Division, said the charge arose in connection with a grand jury investigation in Houston into collusive practices by tricone drill bit suppliers. Gidley said the investigation is continuing.

The maximum penalty for a corporation convicted for a one-count violation of the Sherman Act is the greatest of a fine of \$1 million, twice the pecuniary gain the defendant derived from the crime, or twice the pecuniary loss caused to the victims of the crime.

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