



Department of Justice

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**BORDEN CHARGED WITH RIGGING BIDS ON FLUID MILK CONTRACTS
TO PUBLIC SCHOOL DISTRICTS, HOSPITALS, UNIVERSITY, MILITARY BASE**

WASHINGTON, D.C. -- The Department of Justice today filed a five-count felony information against Borden Inc. of Columbus, Ohio, for engaging in five separate conspiracies to rig bids on contracts for the sale of fluid milk to public school districts, hospitals, a university and a military base in Texas.

The information, filed in U.S. District Court in Dallas, Texas, charges that Borden conspired with others in several areas of Texas from as early as 1964 until as late as June 1990, to rig bids on contracts to supply fluid milk to public school districts and other public entities in Texas in violation of Section 1 of the Sherman Act.

Borden and co-conspirators were awarded contracts and furnished fluid milk to certain public school districts and public hospitals in various areas of Texas, Reese Air Force Base and Texas Tech University.

The five separate conspiracies involved Borden's operations in Lubbock, Dallas/Fort Worth, Tyler, Amarillo and Abilene.

John W. Clark, Acting Assistant Attorney General in charge

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of the Antitrust Division, said the charges arose in connection with a grand jury investigation in Dallas, Texas, into suspected bid rigging in the dairy industry in Texas. The investigation, being conducted by the Antitrust Division's Dallas Field Office with the assistance of the U.S. Department of Agriculture, Office of Inspector General-Investigations, Southwest Region, is continuing.

In March of 1990, the Department filed a three-count information against Borden for conspiring to rig school milk bids in Florida from at least the early 1970's through at least July 1988. Borden plead guilty and paid a \$4 million fine and civil settlement of \$1.5 million for involvement in that conspiracy.

With today's information, the Antitrust Division has filed a total of 83 criminal cases against 47 corporations and 56 individuals in the milk/dairy products industry for bid rigging conspiracies. Cases have been brought in Florida, Georgia, North Carolina, South Carolina, Virginia, Kentucky, Illinois, Texas, Mississippi, Tennessee, Indiana and Oklahoma.

To date, 37 corporations and 41 individuals have been convicted and a total of approximately \$35 million in fines imposed. Total civil damages are more than \$7 million. Thirty-four grand juries in 23 states continue to investigate the milk industry.

The maximum penalty for a corporation convicted under the Sherman Act is the greatest of a \$1 million fine, twice the

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pecuniary gain derived from the crime or twice the pecuniary loss caused to the victims of the crime.

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