



# Department of Justice

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FOR IMMEDIATE RELEASE  
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AT  
(202) 514-2007  
TDD (202) 514-1888

**NEW YORK DAIRY AGREES TO PLEAD GUILTY, PAY \$975,000  
FOR ITS PARTICIPATION IN MILK BID RIGGING CONSPIRACY**

WASHINGTON, D.C. -- A New York dairy company pled guilty today to participating in a milk bid rigging conspiracy involving New York public schools and was sentenced to pay the United States a \$725,000 criminal fine and the state \$250,000 in restitution.

According to the Department of Justice's Antitrust Division, Upstate Milk Cooperatives Inc., accused of rigging school milk bids in western New York state, is the 58th corporation charged in the Department's ongoing investigation of the milk industry in 21 states.

The Department, in a one-count felony charge filed in U.S. District Court in Rochester, New York, said Upstate Milk, based in Le Roy, New York, and others conspired to rig bids, allocate contracts and refrain from bidding competitively against one another to supply milk and related products to schools in western New York in violation of the Sherman Act. The conspiracy began sometime prior to the mid-1980s and continued until early 1992, the Department said.

(MORE)

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charges arose in connection with a grand jury investigation in western New York into collusive practices by dairy products suppliers. This is the first case to be brought against dairy products suppliers in New York.

The investigation by the Division's New York field office, the Federal Bureau of Investigation and the Antitrust Bureau of the New York State Attorney General's office is continuing. Upstate, pursuant to its plea agreement with the government, has agreed to cooperate in that investigation.

To date, 48 corporations and 50 individuals have been convicted and a total of approximately \$47.5 million in fines imposed in cases involving the supply of dairy products to public school districts. Some 26 individuals have been sentenced to serve a total of 4,684 days in jail--an average of approximately six months imprisonment. Thirty-one grand juries in 21 states continue to investigate the milk industry.

The maximum penalty for a corporation convicted under the Sherman Act for a violation occurring after November 16, 1990, is a fine not to exceed the greatest of \$10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss caused to the victims of the crime.

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