



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY,
WWW.USDOJ.GOV

AT
(202) 616-2771
TDD (202) 514-1888

**NEW YORK DAIRY PLEADS GUILTY AND WILL PAY \$250,000
FOR ITS PARTICIPATION IN MILK BID RIGGING CONSPIRACY**

WASHINGTON, D.C. -- Niagara Milk Cooperative Inc. pleaded guilty today to participating in a milk bid rigging conspiracy involving New York public schools and was sentenced to pay the United States a \$200,000 criminal fine and the state \$50,000 in restitution.

The Department, in a one-count felony charge filed in U.S. District Court in Rochester, New York, said Niagara Milk, based in Niagara Falls, 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 in early 1989 and continued until June 1992, the Department said.

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. These charges bring the total number of cases brought against dairy products suppliers to 129.

The investigation was conducted 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.

To date, 65 corporations and 59 individuals have been convicted and a total of approximately \$59 million in fines imposed in cases involving the supply of dairy products to public school districts. Some 29 individuals have been sentenced to serve an average of approximately seven months imprisonment. Sixteen grand juries in 12 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.

###

95-294