



Department of Justice

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JUSTICE DEPARTMENT FILES FIRST CHARGES IN NATIONWIDE INVESTIGATION INTO COLLUSIVE PRACTICES IN THE CARPET INDUSTRY

WASHINGTON, D.C. -- A nationwide investigation into alleged price fixing in the \$9 billion a year carpet industry has led to criminal charges being filed against a Georgia carpet company and its chief executive--the first charges to come out of the investigation being conducted by the Justice Department's Antitrust Division.

Sunrise Carpet Industries Inc. of Chatsworth, Georgia, and its Chief Executive Officer and Board Chairman, Johnny A. West, were charged in U.S. District Court in Atlanta with conspiring with others to fix, raise, and maintain prices of carpet sold throughout the United States.

Gary R. Spratling, Acting Assistant Attorney General for the Antitrust Division, said the conspiracy took place from October 1992 until June 1993, in violation of the Sherman Act.

"Those who conspire to drive up the price of products can expect to face criminal charges," said Spratling. "The investigation, which is being conducted by the Division's Atlanta Field Office, will continue," he said.

Sunrise produces popular low-priced carpet used in residential and commercial buildings. It is made of twenty-ounce level-loop polypropylene.

(MORE)

Spratling said the charges arose in connection with a grand jury investigation in Atlanta into collusive practices by carpet products manufacturers.

The maximum penalty for a corporation convicted under the Sherman Act after November 16, 1990, is the greatest of a \$10 million fine, twice the gross pecuniary gain the corporation derived from the crime, or twice the gross pecuniary loss caused to the victims of the crime.

The maximum penalty for an individual convicted under the Sherman Act after November 16, 1990, is a period of incarceration of three years and the greatest of a \$350,000 fine, twice the gross pecuniary gain the individual derived from the crime, or twice the gross pecuniary loss caused to the victims of the crime.

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