Department of Justice

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OHIO TRUCK PARTS COMPANY CHARGED WITH RIGGING BIDS ON $2 MILLION WORTH OF MILITARY SURPLUS MATERIAL

WASHINGTON, D.C. -- Federal antitrust prosecutors charged a Toledo, Ohio, truck parts company and its president today with conspiring to rig bids on the purchase of $2 million worth of military surplus material sold at government auctions in Pennsylvania, the Department of Justice announced.

The Department's Antitrust Division filed a one-count felony charge in U.S. District Court in Harrisburg, Pennsylvania, against Ben's Truck Parts & Equipment Inc. and its president, Donald L. Solomon, for conspiring to rig bids on the purchase of military surplus, such as vehicles and vehicle parts sold by the Defense Reutilization and Marketing Office, an agency of the Defense Logistics Agency. The Department said the bid-rigging conspiracy occurred from January 1991 through December 1994.

According to the charge, Ben's Truck Parts and Solomon conspired with others to suppress and eliminate competition for military surplus offered for sale by the Defense Reutilization and Marketing Office at auctions in Mechanicsburg and Chambersburg, both Pennsylvania.

Ben's Truck Parts, Solomon and others carried out the conspiracy by discussing their bids with each other before various items were offered for sale. They discussed the bid

price, the amount of the bid and designated the successful bidder.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charge resulted from an ongoing federal grand jury investigation into bid rigging and related violations concerning the Defense Office's auctions.

The case was filed by the Antitrust Division's Philadelphia Field Office with the assistance of the Defense Criminal Investigative Service, the investigative arm of the Department of Defense's Inspector General, and the United States Naval Criminal Investigative Service.

The maximum penalty for a corporation convicted of a violation of the Sherman Act is a fine of $10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss suffered by the victims of the crime, whichever is greater.

The maximum penalty for an individual convicted of a violation of the Sherman Act is three years in jail and a fine of $350,000, twice the pecuniary gain the individual derived from the crime, or twice the pecuniary loss suffered by the victims of the crime, whichever is greater.

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