



Department of Justice

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**FORMER NEW YORK SUPPLIER OF DISPLAY MATERIALS TO CONNECTICUT
LIQUOR COMPANY CHARGED IN BID RIGGING, TAX FRAUD CONSPIRACY**

WASHINGTON, D.C. -- A New York executive and his company agreed to plead guilty today for involvement in a bid rigging and tax fraud conspiracy involving contracts awarded by a Farmington, Connecticut, liquor company to supply product advertising and display materials to retail stores, said the Department of Justice. In a related case, a Connecticut man also agreed to plead guilty to income tax evasion for his involvement in the conspiracy.

To date, seven individuals and one corporation have pleaded guilty to various federal charges as a result of the Department's ongoing antitrust investigation of bid rigging, commercial bribery and tax related offenses in the display industry.

The Department's cases, filed in U.S. District Court in New York City, charged Richard Rituno and his company, Consumer Displays Inc., with rigging bids from 1989 until mid 1991. The defendants also were charged with tax fraud.

Rituno and Consumer Displays were charged with participating in a conspiracy to rig bids and allocate contracts awarded by Heublein Inc. to supply retail stores with display stands, banners and counter cards. The charge describes how Rituno conspired with unnamed co-conspirators to designate the low

bidder on contracts, arranged for the submission of higher noncompetitive price quotations or bids from other suppliers, and paid kickbacks to a Heublein purchasing agent who assisted in the scheme.

Rituno and Consumer Displays were also charged with tax fraud in connection with a conspiracy to raise and accumulate approximately \$118,500, in cash to pay kickbacks to purchasing agents at Heublein and for other purposes, and engaging in a series of sham transactions to overstate his company's expenses, take false tax deductions and conceal cash income that was not reported to tax authorities.

In the related case also filed today, the Department said Richard Sanislo, a former purchasing agent at Heublein and resident of Avon, Connecticut, evaded paying income tax on approximately \$22,000, which represented kickbacks he received over a five-year period from Rituno and another display materials vendor he did business with while employed at Heublein.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the cases are part of the Department of Justice's ongoing antitrust investigation of bid rigging, commercial bribery and tax related offenses in the display industry and is being conducted by the Antitrust Division's New York Field Office with the assistance of the Federal Bureau of Investigation and the Internal Revenue Service.

The maximum penalty for an individual convicted of a violation of the Sherman Act committed after November 16, 1990, is three years in prison and a fine not to exceed the greatest of \$350,000, twice the pecuniary gain the individual derived from

the crime or twice the pecuniary loss caused to the victims of the crime.

The maximum penalty for a corporation convicted of a violation of the Sherman Act committed 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.

The maximum penalty for an individual convicted of a conspiracy to defraud the Internal Revenue Service or income tax evasion is five years in prison and a fine not to exceed the greatest of \$250,000, twice the pecuniary gain the individual derived from the crime or twice the pecuniary loss to the victims.

Anyone with information concerning bid rigging, bribery or fraud in the display industry may contact the New York Division of the FBI at (212) 335-2700.

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