



Department of Justice

FOR IMMEDIATE RELEASE
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AT
(202) 616-2771
TDD (202) 514-1888

**SOUTHERN CALIFORNIA MANUFACTURER OF EMBROIDERED
MILITARY INSIGNIA CHARGED IN BID RIGGING CONSPIRACY**

WASHINGTON, D.C. - An Ontario, California, manufacturer of embroidered military insignia was charged today with conspiring to rig bids on sales of military insignia to the Army Air Force Exchange Service for resale to United States military personnel.

In a one-count felony charge filed in the U.S. District Court in Philadelphia, the Department of Justice's Antitrust Division charged Action Embroidery Corporation with conspiring to rig bids between January 1990 and December 1993 for military insignia sold to the Army Air Force Exchange Service for resale to United States military personnel at military facilities throughout the United States and abroad.

Military insignia are accessories attached to a soldier's uniform to designate branch of service, unit, rank, and also to identify the wearer's years of service, campaigns served, training completed and meritorious and heroic conduct performed.

Also today, the Department filed a charge in the same court against an Astoria, New York, military insignia company, D.M.E. Industries Inc., for its participation in the same bid rigging conspiracy.

According to the charge, Action Embroidery Corporation conspired with others to suppress and eliminate competition for

embroidered military insignia. Action Embroidery Corporation carried out the conspiracy by discussing with its co-conspirators prospective bids for bulk embroidered insignia contracts, designating which company would be the low bidder and submitting intentionally high bids.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charge resulted from a federal grand jury investigation of bid rigging and related violations on sales of military insignia to the Department of Defense and related agencies.

The case was filed by the Antitrust Division's Philadelphia Field Office with the assistance of the Federal Bureau of Investigation, the Defense Criminal Investigative Service, the investigative arm of the Department of Defense Inspector General, and the Air Force Office of Special Investigations.

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

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