



Department of Justice

FOR IMMEDIATE RELEASE
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**DENVER POLYPROPYLENE BAG COMPANY CHARGED WITH DEFRAUDING THE
GOVERNMENT IN SUPPLYING BAGS TO SHIP GRAIN TO NEEDY COUNTRIES**

WASHINGTON, D.C. -- Federal antitrust prosecutors charged a Denver manufacturer and distributor of polypropylene bags today with conspiring to defraud the United States by misleading the U.S. Department of Agriculture while bidding on contracts to supply bags to ship grain to needy countries.

In a one-count felony charge filed in the U.S. District Court in Denver, the Department of Justice's Antitrust Division charged Fulton-Denver Company with conspiring to submit false certificates of product origin on bids for USDA polypropylene bag contracts. The certificates stated that the polypropylene bags supplied to the USDA were of domestic origin, when, in fact, the bags were manufactured outside the United States. USDA had required that all polypropylene bags be manufactured in the United States. These polypropylene bags are made of a plastic woven material which are porous enough to let air through but tight enough to prevent the grain from escaping.

On at least five USDA contract bids from June 1992 through September 1993, Fulton-Denver supplied about 800,000

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polypropylene bags manufactured outside the United States.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charge resulted from a continuing federal grand jury investigation of bid rigging and related violations in polypropylene bag contracts let by the USDA. The case was filed by the Antitrust Division's Philadelphia Field Office with the assistance of the USDA's Office of Inspector General.

The maximum penalty for a corporation upon conviction of a violation of 18 U.S.C. 371 is a fine of \$500,000.

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