



# Department of Justice

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**FORMER PHILIP MORRIS DIRECTOR OF PURCHASING CHARGED  
WITH TAX EVASION IN NEW YORK**

WASHINGTON, D.C. -- A former Philip Morris Inc. purchasing director pleaded guilty today for attempting to evade federal income taxes on \$75,000 he received in cash as a kickback from a supplier of display materials used to advertise and promote products in retail stores, said the Department of Justice.

To date, 10 individuals and four corporations have pleaded guilty or agreed to plead guilty to various federal charges as a result of the Department of Justice's ongoing antitrust investigation of bid rigging, commercial bribery and tax related offenses in the display industry.

The Department's Antitrust Division filed criminal charges in U.S. District Court in Manhattan against Michael W. Heinrich of White Plains, New York. Heinrich is the second former employee of Philip Morris to be prosecuted in connection with the investigation.

The case charges that Heinrich, Philip Morris's director of purchasing from 1988 until 1991, willfully attempted to evade income tax by failing to report approximately \$75,000 he received from a supplier of point-of-purchase display materials to Philip Morris. Point-of-purchase display materials are used to

advertise and display various kinds of consumer goods, primarily in retail stores.

Related charges against New York executive Dani Siegel and two of his New York corporations, Visart Mounting & Finishing Corp. and Genetra Affiliates Inc., were filed Monday, June 3, 1996.

In January 1994, another former Philip Morris purchasing agent, Louis T. Cappelli of Garden City, New York, pleaded guilty to charges of bid rigging and tax evasion.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charges arose in connection with a grand jury investigation in New York City into collusive practices by suppliers of point-of-purchase display materials.

Bingaman said the investigation, 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, is continuing.

Anyone with information concerning bid rigging, bribery, or fraud in the display industry may contact the New York Division of the FBI at (212) 384-1000.

The maximum penalty for an individual convicted of willfully attempting to evade income tax is five years in prison and a fine not to exceed the greatest of \$250,000, twice the pecuniary gain derived from the crime or twice the pecuniary loss to the victims, together with the costs of the prosecution.

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