



Department of Justice

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SOUTHERN FLORIDA COMPANY CHARGED WITH RIGGING BIDS ON MILITARY INSIGNIA

WASHINGTON, D.C. -- A southern Florida military insignia manufacturer was charged today by the Department of Justice with conspiring to rig bids on sales of military insignia to the Army Air Force Exchange Service for resale to United States military personnel.

This is the fourth case brought as part of the Department's ongoing antitrust investigation into bid rigging and related violations on sales of military insignia to the Department of Defense and related agencies. Thus far, \$660,000 in criminal antitrust fines have been assessed as a result of the investigation.

In a one-count felony charge filed in the U.S. District Court in Philadelphia, the Department's Antitrust Division charged Ace Schiffli Embroidery Co. Inc. with conspiring to rig bids between November 1990 and December 1991 for military insignia sold to the Army Air Force Exchange Service for resale to U.S. military personnel at military facilities throughout the country 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.

According to the charge, Ace Schiffli Embroidery of Opa Locka, Florida, conspired with others to suppress and eliminate competition for embroidered military insignia. Ace Schiffli Embroidery 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 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 not to exceed the greatest of \$10 million, twice the gross pecuniary gain the defendant derived from the offense, or

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

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