



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, AUGUST 29, 1996

AT
(202) 616-2771
TDD (202) 514-1888

**MASSACHUSETTS TAMPICO FIBER DISTRIBUTOR CHARGED
IN PRICE FIXING CONSPIRACY**

Fiber Used to Make Consumer and Industrial Brushes

WASHINGTON, D.C. -- A Massachusetts-based distributor of tampico fiber, which is used to make bristles in industrial brushes and common household brushes and brooms, was charged today by the Department of Justice with conspiring to fix resale prices of tampico fiber in the United States.

In a civil case filed in U.S. District Court in Philadelphia, the Department's Antitrust Division charged that Brush Fibers Inc. of Salem, Massachusetts, and other unnamed firms and individuals conspired to eliminate competition in the resale of tampico fiber from January 1990 until April 1995.

At the same time, the Department filed a proposed settlement, that if approved by the court, would settle the suit.

Joel I. Klein, Acting Assistant Attorney General in charge of the Antitrust Division, said, "This is a textbook example of a cartel among producers enhanced and strengthened by a resale price agreement, all leading to higher prices to consumers."

The Department said that the resale price maintenance agreements artificially inflated the prices charged by Brush Fibers Inc., and were part of a larger cartel arrangement involving the company's supplier, A&L Mayer Associates Inc., and

their competitors. The Department said that nearly all sales of tampico fiber in the United States were affected.

Brush Fibers Inc. allegedly agreed with the Netherlands-based A&L Mayer and its Mexican supplier to resell tampico fiber at prices fixed by the co-conspirators. Brush Fibers Inc. sold about \$10 million of tampico fiber during the course of the conspiracy, the complaint alleged.

In May 1996, criminal and civil charges were filed against A&L Mayer Associates Inc. for its involvement in the price fixing conspiracy. To resolve the criminal charges, the company pleaded guilty and paid a \$700,00 fine. A civil settlement in that case was approved by the court on August 16th.

The proposed settlement in this case prohibits Brush Fibers Inc. from:

- Directly or indirectly agreeing with a supplier to fix the prices at which tampico fiber may be resold.
- Agreeing with any other distributor or with any supplier of tampico fiber to, among other things, fix the prices of tampico fiber or allocate sales volume, territories or customers.

Today's suit resulted from an investigation of price fixing in the tampico fiber industry. The case was filed by the Antitrust Division's Philadelphia Field Office with the assistance of the Federal Bureau of Investigation.

The Department said that the investigation into the tampico fiber industry is continuing, and that the FBI has detailed a Special Agent to work on the matter.

Tampico fiber is a vegetable fiber produced by a plant grown in the deserts of northern Mexico. It is used as a filler in consumer and industrial brushes.

As required by the Tunney Act, the proposed consent decree, together with the Department's competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed consent during the 60-day comment period to Robert E. Connolly, Chief, Philadelphia Field Office, U.S. Department of Justice, Antitrust Division, The Curtis Center, 6th and Walnut Streets, Suite 650 West, Philadelphia, PA 19106, (telephone number 215-597-7405).

At the conclusion of the 60-day comment period, the U.S. District Court for Philadelphia may enter the consent decree upon finding that it serves the public interest.

###