



Department of Justice

FOR IMMEDIATE RELEASE
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TOLEDO COMPANY AND MANAGER OF RIVAL FIRM CHARGED WITH PARTICIPATING IN BID-RIGGING CONSPIRACY

WASHINGTON, D.C. -- A Toledo, Ohio construction firm and the former branch manager of a competitor were charged late yesterday with conspiring to rig bids on construction and repair contracts of refractory linings, the Department of Justice announced today. Refractory linings are high-temperature resistant materials used to line furnaces and boilers. The linings are generally purchased by refineries, auto manufacturers, and chemical and utility companies.

The two cases were filed yesterday in U.S. District Court in Toledo. The first case charged Northern Refractory and Insulation Company, an unincorporated division of Cerco Inc., with conspiring to rig bids for refractory lining construction contracts from January 1993 through December 1995, in violation of Section One of the Sherman Act.

In a second case, Larry Angel, a former area manager for ACandS Inc., was charged with participating in the same conspiracy.

According to the charges, the defendants conspired to suppress and eliminate competition for refractory lining construction and repair contracts. The defendants carried out this conspiracy by discussing their prospective bids before those bids were submitted to project owners or general contractors.

Joel I. Klein, Acting Assistant Attorney General in charge of the Antitrust Division, and Emily M. Sweeney, United States Attorney for the

Northern District of Ohio, said the charges resulted from a year long investigation of bid rigging in the refractory lining construction industry.

The cases were filed by the Antitrust Division's Philadelphia Field Office with the assistance of the Toledo branch office of the Federal Bureau of Investigation.

The Sherman Act outlaws all contracts, combinations and conspiracies that unreasonably restrain interstate trade, including agreements among competitors to fix prices, rig bids and allocate customers.

The maximum penalty for a corporation convicted of a violation of the Sherman Act is 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. The maximum penalty for an individual convicted of a violation of the Sherman Act is three years in prison and the greatest of \$350,000, twice the pecuniary gain the individual derived from the crime, or twice the pecuniary loss caused to the victims of the crime.

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