



Department of Justice

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LAROCHE INDUSTRIES INC. PLEADS GUILTY TO PRICE FIXING, PAYS \$1.5 MILLION

More than \$37 Million in Criminal Fines Imposed in Commercial Explosives Price Fixing Probe

WASHINGTON, D.C. -- LaRoche Industries Inc. of Atlanta, Georgia, a major producer of ammonium nitrate, pleaded guilty today and will pay \$1.5 million in criminal fines for conspiring to fix prices in the sale of ammonium nitrate, the Justice Department announced.

Today's plea is the result of the Justice Department's ongoing criminal antitrust investigation of collusion in the commercial explosives and ammonium nitrate industry. To date, the investigation has resulted in a total of 14 guilty pleas by 12 corporations and two individuals, and the assessment of \$37.5 million in criminal fines.

U.S. District Court Judge Donald Lee of Pittsburgh imposed a fine of \$1.5 million on LaRoche today. According to the charges, during May 1992, LaRoche and co-conspirators discussed and exchanged information about their future pricing plans and about future pricing plans of other competitors.

"The Justice Department will be unrelenting in its investigation and punishment of those who choose to undermine

competition by fixing prices," said Joel I. Klein, Acting Assistant Attorney General in charge of the Antitrust Division.

Total sales of ammonium nitrate exceed \$1 billion annually in the United States. Ammonium nitrate is a raw material that is combined with other chemicals to produce explosives, such as ANFO (ammonium nitrate combined with fuel oil), that are used in the mining, construction, and oil and gas exploration industries.

In 1992, the Antitrust Division began an investigation which netted guilty pleas from three major explosives producers that also manufactured ammonium nitrate -- ICI Explosives USA, which was fined \$10 million; DYN0 NOBEL, which was fined \$15 million; and ETI Explosives, which was fined \$950,000. In addition, Austin Powder Co., an explosives manufacturer, was fined \$7 million.

The maximum penalty for a corporation convicted of an antitrust violation under the Sherman Act is a fine of \$10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss suffered by the victims of the crime, whichever is greater.

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