



Department of Justice

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**LONG ISLAND, NEW YORK PRINTING COMPANY CHARGED WITH
RIGGING BIDS ON DISPLAY CONTRACTS TO LORILLARD TOBACCO CO.**

WASHINGTON, D.C. -- A Long Island, New York printing company today was charged with participating in a conspiracy to rig bids and allocate contracts for the supply of display materials to Lorillard Tobacco Co., according to the Department of Justice.

To date, 17 individuals and 8 corporations have pleaded 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 advertising and display materials industry.

The Department's Antitrust Division charged that Target Graphics Inc. participated in a conspiracy with others from at least as early as February 1992 until February 1994 to ensure that it would be the low bidder on numerous printing projects for Lorillard. As a result of the conspiracy, the Garden City, New York-based Target Graphics received about \$400,000 worth of contracts from Lorillard. The felony criminal charge was filed in U.S. District Court in Manhattan.

Lorillard manufactures and sells several brands of cigarettes, including Kent, Newport, True, and Old Gold, and other tobacco products. At the time of the conspiracy, Lorillard had its headquarters in Manhattan and has since moved to Greensboro, North Carolina.

"The Antitrust Division is committed to prosecuting conduct that prevents free and open competition in any market," said Joel I. Klein, Assistant Attorney General in charge of the

Department's Antitrust Division. "Honest competitors should not be kept out of the marketplace."

Klein said the charge stems from an investigation in the Southern District of New York into collusive practices by suppliers of point-of-purchase advertising and display materials, which are used to advertise and promote various kinds of consumer goods, primarily in retail stores. The investigation, which is 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, said Klein.

Earlier prosecutions have involved personnel at Philip Morris Inc. of New York City; Heublein, Inc. of Farmington, Connecticut; Hiram Walker & Sons Inc. of Southfield, Michigan; and Warner-Lambert Co. of Morris Plains, New Jersey.

The maximum penalty for a corporation convicted of participating in a bid rigging conspiracy in violation of the Sherman Act is a fine of \$10 million. The fine may be increased to twice the gain to the conspirators in the crime, or twice the loss suffered by victims of the crime, if either of these amounts is greater than the statutory maximum fine of \$10 million.

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

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