



# Department of Justice

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## **COLORADO STAMP DEALER AND COMPANY** **CHARGED WITH RIGGING AUCTIONS**

WASHINGTON, D.C.--A Denver, Colo. company and one of its executives were charged today with rigging bids at stamp auctions held in the United States and elsewhere, the Department of Justice announced.

In a felony case, filed in U.S. District Court in Manhattan, Mark Morrow Stamps, Inc. and Mark Morrow, its president, were charged with conspiring with unnamed co-conspirators to submit collusive, noncompetitive and rigged bids at stamp auctions from the early 1980s until at least June 1997.

This is the fourth case stemming from the Department's ongoing antitrust investigation involving collusion by stamp dealers at auctions. Stamps are often sold at auctions at which the highest bid price determines who will purchase the stamps. Auction houses located throughout the U.S. and Europe hold periodic auctions for stamp lots.

According to the charge, Mark Morrow Stamps, Inc., Mark Morrow, and their co-conspirators carried out the bid-rigging scheme by participating in secret pre-auctions to determine which stamp dealer would be the bidder for specific lots of stamps at the subsequent public auction; by agreeing not to bid at public auctions against other stamp dealers who submitted the highest bid price at the pre-auction; and by making payments to stamp dealers who agreed not to bid at public auctions when they were not the high bidder at the pre-auction.

“This type of scheme prevents sellers from obtaining fair and competitive pricing,” said James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division’s Criminal Enforcement Program.

On January 28, 2002, Earl P.L. Apfelbaum, Inc. and John Apfelbaum pled guilty to a two-count Information charging them with conspiring to rig bids for stamp auctions. On April 16, 2002, Davitt Felder, Inc. and Davitt Felder pled guilty to a two-count Information also charging them with conspiring to rig bids for stamp auctions. On May 29, 2002, Anthony Feldman, Stephen Osborne Ltd., and Stephen Osborne were indicted for conspiring to rig bids for stamps purchased at public auctions.

Mark Morrow Stamps, Inc., and Mark Morrow are charged with violating Section One of the Sherman Act which carries a maximum fine of \$10 million for a corporation and a maximum penalty of three years imprisonment and a maximum fine of \$350,000 for an individual. The fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The ongoing investigation is being conducted by the Antitrust Division’s New York Office and the New York office of the Federal Bureau of Investigation.

Anyone with information concerning bid rigging at stamp auctions should contact the New York Office of the Antitrust Division at (212) 264-0383.

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