



Department of Justice

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NEW YORK PERIODICAL DISTRIBUTOR PLEADS GUILTY TO MARKET ALLOCATION CHARGE

WASHINGTON, D.C. — A New York periodical distributor pleaded guilty today and was sentenced to pay a criminal fine of \$500,000 for allocating markets for the wholesale distribution of magazines, other periodicals, and books in Central New York State, the Department of Justice announced.

New York Periodical Distributors Inc. of Massena, New York, was charged in a one-count felony case filed in U.S. District Court in Syracuse, New York. The case charged that the company participated in a conspiracy to suppress and eliminate competition in the wholesale distribution of magazines, other periodicals, and books in Central New York State from the fall of 1998 through the summer of 2000. Under the plea agreement, New York Periodical Distributors Inc. is cooperating in the ongoing investigation into violations of antitrust laws and other related criminal laws in the wholesale magazine distribution industry.

Wholesale distributors receive magazines, other periodicals, and books directly from publishers and national distributors, and then distribute them to retailers for sale to the general public. According to the charge, New York Periodical Distributors Inc. and another wholesale distributor and its affiliates carried out the market allocation scheme by engaging in discussions regarding the allocation of markets, agreeing in those discussions to allocate markets, and then

exchanging customers for the purpose of implementing the agreed-upon market allocations for the wholesale distribution of magazines, other periodicals, and books in Central New York State.

James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division's Criminal Enforcement Program, said the charge resulted from an ongoing investigation of the wholesale magazine distribution industry being conducted by the Division's Cleveland Field Office with assistance from the Syracuse and Albany, New York Offices of the Federal Bureau of Investigation.

New York Periodical Distributors Inc. was charged with violating Section One of the Sherman Act, which carries a maximum fine of \$10 million for a corporation. The maximum fine for the charge 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.

Anyone with information concerning bid rigging, territorial or customer allocation or related offenses in the wholesale magazine industry should contact the Cleveland Field Office of the Antitrust Division at (216) 522-4070.

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