



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, APRIL 14, 2003
WWW.USDOJ.GOV

AT
(202) 616-2777
TDD (202) 514-1888

SALESPERSON FOR GRAPHICS SUPPLY COMPANY PLEADS GUILTY TO ANTITRUST AND TAX CHARGES

WASHINGTON, D.C. -- An independent salesperson representing Quality House of Graphics Inc., a Queens, New York, graphic services company, pleaded guilty today to antitrust and tax charges, the Department of Justice announced.

John Ghianni of Fort Lee, New Jersey, entered a plea of guilty before Judge Thomas P. Griesa in District Court in Manhattan to a two-count superseding charge. Ghianni pleaded guilty to one count of conspiring to rig bids and allocate contracts, as charged in an indictment filed in May, 2002, as well as an additional count of filing false and fraudulent tax returns for the tax years 1996 through 2001. Ghianni's trial was scheduled to begin on April 14, 2003.

Ghianni was indicted on May 16, 2002 for conspiring to rig bids and allocate contracts for the supply of graphic services purchased by Grey Global Group Inc., an advertising agency headquartered in Manhattan, on behalf of one of its clients, Brown & Williamson Tobacco Corp., from late 1994 until 2001. Ghianni, as an independent salesperson representing Quality House, was responsible for servicing Grey, one of Quality House's clients. Ghianni's co-defendants Birj Deckmejian and John Steinmetz are scheduled for trial on October 14, 2003.

Ghianni is the 12th individual convicted since September 2002 in the ongoing probe of bid rigging and other corrupt practices in the advertising and graphic services businesses.

On March 25, 2003, Haluk K. Ergulec, former owner of The Color Wheel Inc., a Manhattan supplier of graphic services to Grey, was sentenced to 37 months in prison and ordered to pay \$1.5 million in restitution.

On April 8, 2002, Mitchell E. Mosallem of Manhattan, former executive vice president and director of graphic services at Grey, pleaded guilty to 11 antitrust, fraud and tax crimes, and agreed to serve a prison term of 63 to 78 months.

"Today's plea agreement reflects our commitment to seek out and prosecute anticompetitive practices in the advertising and graphics industries," said R. Hewitt Pate, Acting Assistant Attorney General in charge of the Department's Antitrust Division.

The bid-rigging charge, a violation of the Sherman Act, 15 U.S.C. § 1, carries a maximum penalty of three years' imprisonment and a \$350,000 fine. The charge of subscribing to false and fraudulent tax returns, in violation of 26 U.S.C. §7206(1), carries a maximum penalty of three years in prison, one year of supervised release, and a \$250,000 fine, together with the cost of prosecution. The maximum fine on each count may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine. In addition, Ghianni could be ordered to pay restitution to any victim for the full amount of that victim's loss.

Today's charges arose from an ongoing federal antitrust investigation of bid rigging, bribery, fraud, and tax-related offenses in the advertising and printing/graphics industries. The investigation 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 Criminal Investigation Division.

- 3 -

Anyone with information concerning bid rigging, bribery, tax offenses or fraud in the advertising or printing/graphics industries should contact the New York Field Office of the Antitrust Division at (212) 264-0677 or the New York Division of the FBI at (212) 384-3252.

###

03-236