



Department of Justice

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FORMER TOP EXECUTIVE OF UK CORPORATION
FACES ADDITIONAL PRICE-FIXING CHARGE

WASHINGTON, D.C.—A Philadelphia federal grand jury today returned a superseding indictment against the former Chief Executive Officer of The Morgan Crucible Company plc (Morgan), a United Kingdom corporation, adding the charge of price fixing on electrical and mechanical carbon products to the previous charges of obstructing the grand jury investigation of that price-fixing conspiracy, the Department of Justice announced.

Ian P. Norris, former Chief Executive Officer of Morgan and a resident of the United Kingdom, was charged in U.S. District Court in Philadelphia with one count of price fixing, in addition to the obstruction counts returned on September 24, 2003.

The price-fixing charge involves six types of electrical and mechanical carbon products: (1) carbon current collectors; (2) carbon brushes sold to original equipment manufacturers for automotive applications; (3) traction-transit carbon brushes; (4) industrial carbon brushes for use in battery-operated vehicles; (5) carbon brushes sold to original equipment manufacturers for use in consumer products; and (6) mechanical carbon products for use in pump and compressor industries. According to the charge, from late 1989 until at least May 2000, Norris engaged in the price-fixing conspiracy that was carried out in the United States for periods that varied by product market segment. Carbon brushes are used to transfer electrical current in direct current motors by acting as the rubbing contacts for electrical connectors in motors. Direct current motors are used in a variety of products including automobiles, battery-electric vehicles, and

public-transit vehicles. Carbon collectors are used to transfer electrical current from wires or rails for use in vehicles that are not independently powered. Mechanical carbon products are sold primarily to pump seal manufacturers and are used in fluid handling markets for containing liquids in wear situations.

According to the superseding indictment, the conspirators carried out the price-fixing conspiracy by:

- participating in meetings and conversations in Europe, Mexico, and Canada to discuss the prices of electrical and mechanical carbon products sold in the United States and elsewhere;
- agreeing, during those meetings and conversations, to charge prices at certain levels and otherwise increase or maintain prices of the relevant carbon products sold in the United States and elsewhere; and
- discussing and exchanging price quotations to certain customers so as not to undercut the price of a competitor.

"The charge filed today demonstrates the Justice Department's commitment to prosecute high-ranking executives that choose to collude, rather than compete, with their competitors," said R. Hewitt Pate, Assistant Attorney General in charge of the Department's Antitrust Division.

The statutory maximum penalty for an individual convicted of price fixing, a violation of the Sherman Act, is three years imprisonment and a \$350,000 fine. 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.

Today's charges arose from an investigation being conducted by the Antitrust Division's Philadelphia Field Office, with the assistance of the Philadelphia office of the Federal Bureau of Investigation.

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