



# Department of Justice

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## **ALLIED FREIGHT FORWARDING INC. AGREES TO PLEAD GUILTY TO PARTICIPATING IN TWO BID-RIGGING CONSPIRACIES**

### *Company Agrees to Pay \$1.043 Million Criminal Fine*

WASHINGTON, D.C. – Allied Freight Forwarding Inc. (Allied), headquartered in Westmont, Illinois, has agreed to plead guilty and pay a criminal fine of \$1.043 million for its role in two separate bid-rigging conspiracies in connection with a Department of Defense (DOD) program to transport the household goods of military and civilian DOD personnel between Europe and the United States and between the mainland United States and Hawaii, the Department of Justice announced.

According to the two-count felony charges filed today in the U.S. District Court in Alexandria, Virginia, Allied and another U.S. freight forwarder conspired in 2001 not to compete against each other to service transportation routes, called “channels,” from Germany to the U.S. and from Italy to the U.S., and to divide between them the foreign traffic channels from those two countries to the United States.

“Today’s charges demonstrate our ongoing commitment to prosecute those who would deny the U.S. military the benefits of purchasing services in a free and open market,” said Thomas O. Barnett, Assistant Attorney General in charge of the Antitrust Division.

Allied is also charged with separately conspiring with three U.S. freight forwarders in 2000 and 2001 to file rates with DOD at collusively-designated levels. This second conspiracy covered both traffic between Europe and the U.S. and traffic between Hawaii and the U.S.

mainland. Under the scheme, Allied agreed to service the shipments awarded by DOD to its three co-conspirators and to pay those co-conspirators \$1 per hundredweight on each shipment between Europe and the U.S. and \$4 per hundredweight on each shipment between Hawaii and the mainland U.S.

Under the plea agreement, which must be approved by the court, Allied has agreed to assist the government in its ongoing investigation.

In recent years, the DOD has spent more than \$100 million annually to move the household goods of its military and civilian personnel from Europe to the U.S.

Allied is the fourth company to be charged as a result of the Department's ongoing antitrust investigation of anticompetitive and fraudulent conduct into the movement of military household goods between the U.S. and Europe. As part of the same investigation, on February 18, 2004, the Department filed superseding charges against Belgium-based Gosselin World Wide Moving N.V. and charges against The Pasha Group, headquartered in Corte Madera, California. On April 29, 2004, the Department filed charges against Cartwright International Van Lines, Inc., a company headquartered in Grandview, Missouri, for conspiring to increase the rates paid by the DOD.

The investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section with the assistance of the DOD Office of Inspector General Defense Criminal Investigative Service and the Army Criminal Investigation Division.

Allied is charged with violating the Sherman Antitrust Act, 15 U.S.C. § 1, which carries a maximum fine for a corporation of \$10 million dollars. The maximum fine level 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, the defendant may be ordered to pay restitution for the full amount of the victim's loss.

Anyone with information concerning price fixing, bid rigging or fraud in the military moving and storage industry or concerning conspiratorial conduct for the purpose of reducing or eliminating competition on any government contract is urged to call the National Criminal Enforcement Section of the Antitrust Division at (202) 307-6694 or the Mid-Atlantic Field Office of the Defense Criminal Investigative Service at (410) 347-1625.

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