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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	Civil No. 3-7722E
	)	
v.	)	Complaint for Injunctive
	)	Relief for Violation of
AVIATION SPECIALTIES CO., INC.;	)	Title 15 U.S.C. §1
CLARK'S AERIAL SERVICE, INC.;	)	(Sherman Antitrust Act)
DOTHAN AVIATION CORPORATION,	)	
INCORPORATED; and	)	Filed: September 26, 1973
RALCO, INC.,	)	
	)	
Defendants.	)	

COMPLAINT

The United States of America, plaintiff, by its attorneys,  
acting under the direction of the Attorney General of the  
United States, brings this action against the above-named  
defendants, and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted  
under Section 4 of the Act of Congress of July 2, 1890, as  
amended (15 U.S.C. §4), commonly known as the Sherman Act, in  
order to prevent and restrain continuing violation by the  
defendants, as hereinafter alleged, of Section 1 of that Act,  
as amended (15 U.S.C. §1).

2. The defendants transact business or are found within the Northern District of Texas, Dallas Division.

## II

## DEFENDANTS

3. Each corporation named below in this paragraph is made a defendant herein. Each said defendant is engaged, among other things, in the business of contracting to provide the service of Class "A" planes for crop dusting. Said defendants are the largest contractors in the country insofar as providing the service of Class "A" planes for crop dusting is concerned. Each said defendant is a corporation organized under the laws of the state indicated, with its principal place of business at the place indicated:

<u>Defendants</u>	<u>State of Incorporation</u>	<u>Principal Address</u>
Aviation Specialties Co., Inc.	Arizona	Mesa, Arizona
Clark's Aerial Service, Inc.	Texas	Brownfield, Texas
Dothan Aviation Corporation, Incorporated	Alabama	Dothan, Alabama
Ralco, Inc.	Wyoming	Cheyenne, Wyoming

Said defendants are sometimes hereinafter referred to collectively as the defendant contractors.

III

CO-CONSPIRATORS

4. Various persons and companies not made defendants in this complaint participated as co-conspirators with the defendants in the violation alleged herein and performed acts and made statements in furtherance thereof.

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IV

DEFINITIONS

5. As used herein the term:

- (a) "USDA" refers to the United States Department of Agriculture;
- (b) "Fire-ant" refers to the so-called "imported fire-ant" and does not include the domestic variety;
- (c) "Crop dusting" or "dusting" refers to the scattering of dry insecticides, principally mirex bait, by airplanes upon areas infested by fire-ants;
- (d) "Contractor" refers to a person or company engaged, among other things, in contracting to furnish the service of planes for crop dusting, including not only the plane but also the service of pilots and maintenance of the plane;
- (e) "Class "A" planes" is the designation customarily given by awarding authorities to planes rated with the largest working capacity as compared to planes rated for smaller working capacity and called Class "B" and Class "C" planes; and
- (f) "Class "A" plane job" refers to a crop dusting job which requires the contractor to provide the service of at least one Class "A" plane, although Class "B" and Class "C" planes may also be specified.

V

TRADE AND COMMERCE

6. The fire-ant is one of the principal insect pests infesting the United States. Its bite is painful and many farmers are reluctant to work in areas infested by fire-ants. Fire-ant colonies

1 are usually marked by large mounds which make it difficult to  
2 plow and cultivate infested fields. At the present time, it is  
3 estimated that there are approximately 15 million acres of land  
4 in the southern states infested by fire-ants.

5 7. During the period of the conspiracy described below, the  
6 Federal Government has spent approximately \$26 million on its  
7 programs to contain and to eradicate the fire-ant. Most of this  
8 has been spent in cooperation with the various states which have  
9 matched the Federal funds spent within their respective borders.  
10 A substantial amount of said funds has been spent in contracting  
11 with contractors, including the defendants herein, to furnish crop  
12 dusting service.

13 8. Customarily, the USDA and the state concerned agree each  
14 year upon the amount of funds available for crop dusting, on the  
15 manner in which the expenses for the crop dusting shall be shared,  
16 on the area to be treated, and which shall be the awarding authority.  
17 The USDA is usually the awarding authority. As such, the USDA  
18 solicits bids from contractors to supply crop dusting service,  
19 awards contracts, and pays for the work out of Federal funds while  
20 the state bears its share of the expense by furnishing the agreed  
21 facilities, supplies, services, and sometimes funds. Where a  
22 state is the awarding authority, it solicits bids, awards contracts,  
23 and pays for the crop dusting out of state funds. Here, the USDA  
24 bears its agreed share of the expense by furnishing supplies,  
25 facilities, services, and funds.

26 9. Crop dusting is most effective in fighting the fire-ant  
27 when performed during two relatively short periods, one in the  
28 spring and one in the fall. Customarily, the awarding authority  
29 issues its invitations for bids several weeks before the favorable  
30 period, opens them three or four weeks later, awards the contracts,  
31 and so is prepared for the work to proceed as soon as the favorable  
32 period commences. At the start of each contracting season, the

1 awarding authorities usually rate the planes which have been  
2 qualified for crop dusting as Class "A", "B", or "C", depending  
3 upon the amount of mirex bait the plane can safely and efficiently  
4 lift and scatter. In their invitations, the awarding authorities  
5 solicit contractors to provide the service of Class "A" planes for  
6 dusting large areas, and to provide the smaller Class "B" and  
7 Class "C" planes for dusting smaller areas and strips along roads,  
8 and beside human habitations, reservoirs, and the like. While  
9 numerous invitations each year seek the service of Class "B" and  
10 Class "C" planes, the overwhelming majority of all acreage dusted  
11 is treated pursuant to jobs which called for at least one Class "A"  
12 plane. During the period covered by the conspiracy, only six con-  
13 tractors, including the defendants, have solicited and obtained  
14 Class "A" plane jobs, and the defendants have obtained more than  
15 90 percent of all said Class "A" plane jobs.

16 10. During the period covered by the conspiracy, each defend-  
17 ant contractor has bid on and has been awarded and has performed  
18 crop dusting contracts outside the state of its home office.  
19 Various supplies utilized by the defendants were manufactured in  
20 states other than those in which these contracts were performed.  
21 Any restraint on bidding and on performing crop dusting contracts  
22 as described herein has a direct and immediate effect on interstate  
23 commerce and products which move in interstate commerce.

## 24 VI

### 25 VIOLATION ALLEGED

26 11. Beginning sometime in 1968, the exact date being unknown  
27 to the plaintiff, and continuing at least until January 1973, the  
28 defendants and co-conspirators have entered into and engaged in a  
29 combination and conspiracy to eliminate competition in bidding to  
30 supply crop dusting service on Class "A" plane jobs in unreasonable  
31 restraint of the aforesaid interstate trade and commerce, in  
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1 violation of Section 1 of the Act of Congress of July 2, 1890, as  
2 amended (commonly known as the Sherman Act).

3 12. The aforesaid combination and conspiracy has consisted of  
4 an understanding and concert of action among the defendants and co-  
5 conspirators, the substantial terms of which are that they agreed:

6 (a) to allocate among themselves Class "A" plane jobs

7 by determining who should be low bidder;

8 (b) to submit collusive, noncompetitive, and rigged

9 bids to awarding authorities soliciting bids on

10 Class "A" plane jobs; and

11 (c) to cooperate in discouraging, trying to prevent,

12 and in preventing other companies from entering

13 into the business of bidding on Class "A" plane

14 jobs.

15 13. The aforesaid combination and conspiracy continued until  
16 at least January 1973, and may continue or resume unless the relief  
17 hereinafter prayed for is granted.

18 14. For the purpose of forming and effectuating the aforesaid  
19 combination and conspiracy, the defendants and co-conspirators  
20 have done those things which, as hereinbefore alleged, they have  
21 combined and conspired to do, including among other things:

22 (a) representatives of the defendants have held periodic

23 meetings before the time set for the opening of

24 bids, for the purpose of discussing and implementing

25 the conspiracy described herein, including a meeting

26 on or about June 24, 1969 in New Orleans, Louisiana;

27 meetings in Dallas, Texas, in 1968, on or about August

28 6, 1970, and on or about February 18, 1972; and a

29 meeting in Mesa, Arizona, on or about August 5, 1972;

30 (b) at said meetings and by numerous telephone calls

31 said defendants discussed the Class "A" plane jobs  
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1 for which invitations had been issued or for which  
2 invitations were anticipated in the near future,  
3 and agreed upon the spread between the low and the  
4 high bid and the party who should make the low bid;

- 5 (c) at one meeting and by numerous telephone calls  
6 they discussed and agreed upon the submission of a  
7 sham bid by a fictitious company which was controlled  
8 by defendant Clark, and which, if it was the low  
9 bidder, was not intended to perform the work; and  
10 (d) at said meetings and by telephone calls they dis-  
11 cussed and agreed upon means for discouraging and  
12 for preventing companies which were not members of  
13 the conspiracy from entering into the field, from  
14 bidding on, and obtaining Class "A" plane jobs.

16 VII

17 EFFECTS

18 15. The aforesaid combination and conspiracy has had, among  
19 other things, the following effects:

- 20 (a) price competition among the defendants in bidding  
21 on Class "A" plane jobs has been suppressed;  
22 (b) contracts for crop dusting have been divided among  
23 the defendants on an arbitrary and artificial  
24 basis;  
25 (c) contractors who have entered into the business of,  
26 or have planned to enter into the business of,  
27 supplying the service of Class "A" planes for crop  
28 dusting have been discouraged and deprived of the  
29 opportunity to compete;  
30 (d) awarding authorities have been deprived of the  
31 opportunity of obtaining crop dusting service in  
32 a free, open, and competitive market; and

1 (e) prices bid for supplying crop dusting service  
2 have been artificially raised and stabilized.  
3

4 PRAYER

5 WHEREFORE, the plaintiff prays:

6 1. That the Court adjudge and decree that the defendants, and  
7 each of them, have engaged in a combination and conspiracy in un-  
8 reasonable restraint of the aforesaid interstate trade and commerce,  
9 in violation of Section 1 of the Sherman Act.

10 2. That each of the defendants, its successors, assignees,  
11 subsidiaries, and transferees, and the respective officers,  
12 directors, agents, and employees thereof, and all other persons  
13 acting or claiming to act on behalf thereof, be perpetually enjoined  
14 and restrained from, in any manner, directly or indirectly:

15 (a) continuing, maintaining, or renewing the aforesaid  
16 combination and conspiracy and from engaging in  
17 any other combination, conspiracy, agreement, under-  
18 standing, or concert of action having a similar  
19 purpose or effect and from adopting or following  
20 any practice, plan, program, or device having a  
21 similar purpose or effect;

22 (b) entering into any agreement, arrangement, concerted  
23 activity, or understanding with any other contractor  
24 or any association of said contractors:

25 (i) to fix, stabilize, and maintain the  
26 amounts to be charged for providing  
27 crop dusting service or to be bid in  
28 offers to supply said service;

29 (ii) to refrain from bidding to supply said  
30 crop dusting service;

31 (iii) to submit noncompetitive, collusive, and  
32 rigged bids;




(iv) to exchange information concerning bids,  
prices, terms, or conditions of sale; and  
(v) to prevent, or to seek to prevent, any  
person from entering into or engaging in  
the business of crop dusting.

3. That the Court order each defendant for a period of five  
years to certify in writing, through one of its officers, at the  
time of each bid which it makes that said bid was independently  
arrived at by said defendant and was not the result of any agreement  
or understanding with any competitor and that each said defendant  
attach a copy of said certification to its bid and retain in its  
files copies of the aforesaid certifications which shall be made  
available to the plaintiff for inspection upon reasonable written  
demand.

4. That plaintiff have such other, further, and different  
relief as the Court may deem just and proper in the premises.

5. That plaintiff recover the costs of this suit.

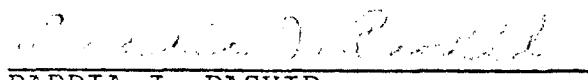
  
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