

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF
PENNSYLVANIA

UNITED STATES OF AMERICA)	
)	Criminal No.: 96-406
v.)	
)	Filed: [9/5/96]
ACE SCHIFFLI EMBROIDERY CO., INC.,)	
)	15 U.S.C. § 1
)	
Defendant.)	Judge: Bartle

INFORMATION

The United States of America, acting through its attorneys, charges:

I

DEFENDANT AND CO-CONSPIRATORS

1. ACE SCHIFFLI EMBROIDERY CO., INC. (ACE SCHIFFLI) is hereby made a defendant on the charge stated below. ACE SCHIFFLI is a corporation organized and existing under the laws of the State of New Jersey, with its principal place of business in Opa Locka, Florida. During the time covered by this information, ACE SCHIFFLI manufactured embroidered insignia which it sold to the Army Air Force Exchange Service (AAFES) for resale to United States military personnel.

2. Various individuals and companies not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

3. Wherever in this information reference is made to any act, deed or transaction of any corporation, the allegation means that the corporation engaged in the act, deed or transaction by or through its officers, directors, agents, employees or other representatives while they were actively engaged in the management, direction, control or transaction of its business or affairs.

II

BACKGROUND

4. AAFES operates over 3,000 retail facilities and clothing stores on military installations worldwide at which embroidered military insignia are offered for sale to military personnel. Military insignia are accessories attached to a soldier's uniform to designate branch of service, unit, rank, and also identify the wearer's years of service, campaigns served, training completed and meritorious and heroic conduct performed. Embroidered insignia are manufactured and sold to AAFES by the defendant and co-conspirator companies.

5. AAFES procures embroidered insignia through competitively bid individual bulk contracts with awards made to the qualified bidder offering the lowest price. During the period covered by this information, ACE SCHIFFLI and its co-conspirator companies supplied AAFES with embroidered insignia under competitively bid individual bulk contracts.

III

OFFENSE CHARGED

6. Beginning at least as early as November 1990 and continuing at least until December 1991, the exact dates being unknown to the United States, the defendant and co-conspirators entered into and participated in a combination and conspiracy to suppress and eliminate competition in unreasonable restraint of interstate and foreign trade and commerce.

7. The charged conspiracy consisted of an agreement, understanding and concert of action among the defendant and co-conspirators, the substantial terms of which were to submit collusive, noncompetitive and rigged bids for certain bulk embroidered insignia contracts with AAFES.

8. For the purpose of forming and carrying out the charged conspiracy, the defendant and co-conspirators did those things which they combined and conspired to do, including, among other things:

- (a) discussing among themselves the submission of prospective bids on individual bulk embroidered insignia contracts;
- (b) agreeing among themselves which company would be the low bidder for the aforementioned contracts;
and
- (c) submitting collusive, noncompetitive and rigged bids for the aforementioned contracts.

IV

TRADE AND COMMERCE

9. During the period covered by this information, a substantial quantity of the embroidered insignia items manufactured by the defendant and co-conspirators were shipped across state lines and overseas to military facilities throughout the United States and abroad.

10. During the period covered by this information, the activities of the defendant and co-conspirators, which are the subject of this information, were within the flow of, and substantially affected, interstate and foreign trade and commerce.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Dated:

"/s/"
ANNE K. BINGAMAN
Assistant Attorney General

"/s/"
WILLARD S. SMITH

"/s/"
GARY R. SPRATLING

"/s/"
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"/s/"
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"/s/"
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