IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA

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| UNITED STATES OF AMERICA | ) | |
| | ) | Criminal No. 99-626 |
| v. | ) | |
| | ) | Filed: 9/29/99 |
| | ) | |
| ROBERT P. KRASS, | ) | Violation: |
| | ) | 15 U.S.C. § 1 |
| Defendant. | ) | |

**INFORMATION**

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

1. Robert P. Krass is made a defendant on the charge stated below.

## I. DESCRIPTION OF THE OFFENSE

2. Beginning at least as early as July 1992 and continuing until at least June 1997, 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 by fixing the price of and allocating the volume of graphite electrodes sold in the United States and elsewhere. The combination and conspiracy unreasonably restrained interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The charged combination and conspiracy consisted of a continuing agreement, understanding and concert of action among the defendant and co-conspirators, the substantial terms of which were:

(a) to agree to fix and maintain prices of, and to coordinate price increases for, graphite electrodes sold in the United States and elsewhere;

(b) to agree to follow the price increases of respective home market leaders in the United States and elsewhere; and

(c) to agree to maintain the respective market shares of the conspirator companies in various markets in the United States and elsewhere.

## II. MEANS AND METHODS OF THE CONSPIRACY

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

(a) participating in meetings, telephone conversations and other discussions in the United States, Europe, and the Far East concerning:

(1) the methods to be used to increase graphite electrode prices;

(2) the present and future prices of graphite electrodes in the United States and elsewhere;

(3) the present and expected graphite electrode prices and sales volume for specific customers or geographic regions;

(4) the elimination of discounts;

(5) the imposition of premiums on certain sizes of electrodes; and

(6) the restriction or elimination of the sale of 28¾" graphite electrodes in the United States;

(b) following the graphite electrode price increases announced by designated geographic market leaders;

(c) raising and maintaining the prices of graphite electrodes, including imposing price increases of over 60 percent on customers in the United States;

(d) eliminating discounts;

(e) limiting the sale of 28¾" graphite electrodes in the United States; and

(f) taking action to maintain the respective market shares of the conspirator companies.

## III. DEFENDANT AND CO-CONSPIRATORS

5. During the period covered by this Information, Robert P. Krass was the President and Chief Executive Officer of UCAR Carbon Company and UCAR International, Inc. (UCAR). UCAR is the world's largest producer of graphite

electrodes. His responsibilities included overseeing the production, marketing and sale of graphite electrodes.

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

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

## IV. TRADE AND COMMERCE

8. Graphite electrodes are large columns used primarily in the production of steel in electric arc furnaces, the steel making technology used by "mini-mills," and for refining steel in ladle furnaces. As conductors of electricity, graphite electrodes generate sufficient heat to melt steel scrap and to further refine molten steel into finished products. Nine electrodes, joined in columns of three each, are used in a typical electric arc furnace to melt scrap steel. Approximately one electrode is consumed every eight hours because of the intense heat.

9. Total sales of graphite electrodes in the United States were in excess of $1.7 billion during the term of the charged conspiracy. The corporate conspirators produced nearly all of the graphite electrodes sold in the United

States during the course of the conspiracy.

10. During the period covered by this Information, the defendant and co-conspirators sold a substantial quantity of graphite electrodes across state lines and into and out of the United States in a continuous and uninterrupted flow of interstate and foreign trade and commerce.

11. The activities of the defendant and co-conspirators that are the subject of this Information were within the flow of, and substantially affected, interstate and foreign trade and commerce.

## V. JURISDICTION AND VENUE

12. The combination and conspiracy charged in this Information was carried out, in part, within the Eastern District of Pennsylvania within the five years preceding the filing of this Information.

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

Dated:


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JOEL I. KLEIN
Assistant Attorney General

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JAMES M. GRIFFIN
Director of Criminal Enforcement

Antitrust Division
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