

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

Plaintiff,

v. : 05-CR-500 (RPP)

STANLEY OLAN and CENTRAL
LAUNDRY SERVICE, INC., d/b/a
SEA CREST LINEN SUPPLY CO.,

Filed: 5/9/05

Violations:

: 15 U.S.C. § 1
18 U.S.C. § 1512(b)(1)

Defendants.

:

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INFORMATION

COUNT ONE
SHERMAN ACT CONSPIRACY
(15 U.S.C. § 1)

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

1. Stanley Olan and Central Laundry Service, Inc., d/b/a Sea Crest Linen Supply
Co. are hereby made defendants on the charge stated below in Count One:

I. DESCRIPTION OF THE OFFENSE

2. Beginning in or around 1994 and continuing until at least September 2002, the exact dates being unknown to the United States, the defendants and co-conspirators engaged in a combination and conspiracy in unreasonable restraint of interstate trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendants and co-conspirators, the substantial term of which was to allocate linen supply customers in New York City; portions of Westchester, Nassau, and Suffolk Counties, New York; portions of northern New Jersey; and portions of Fairfield County, Connecticut (hereinafter referred to as “New York metropolitan area”).

4. For the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendants and co-conspirators did those things which they combined and conspired to do, including, among other things:

- (a) agreeing not to compete for each others’ customers;
- (b) meeting to discuss and affirm their agreement not to compete for each others’ customers;
- (c) notifying each other when such customers were contemplating switching linen suppliers; and
- (d) submitting intentionally high non-competitive price quotes or refraining from submitting price quotes to such customers.

II. DEFENDANTS AND CO-CONSPIRATORS

5. Defendant Central Laundry Service, Inc., doing business as Sea Crest Linen Supply Co. (hereinafter referred to as “Sea Crest”), is a New York corporation with its principal office in Brooklyn, NY. During the period covered by this Count, Sea Crest

was engaged in the business of providing linen supply services in the New York metropolitan area.

6. During the period covered by this Count, defendant Stanley Olan was Vice President and part owner of defendant Sea Crest.

7. Whenever in this Count reference is made to any act, deed, or transaction of any corporation, such allegation shall be deemed to mean that the corporation engaged in such 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.

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

III. INTERSTATE TRADE AND COMMERCE

9. Linen supply companies are primarily engaged in supplying to commercial establishments such laundered items as table linens, napkins, chef's uniforms, and aprons. Linen supply companies own the linen items, rent these items to customers, deliver clean items to customers and pick up soiled items, usually on a weekly schedule. Major customers are restaurants, caterers, and cafeterias. During the period of this conspiracy, the defendants and co-conspirators generated sales revenues from the supply of linen services in the New York metropolitan area in excess of \$500 million.

10. The defendants' and co-conspirators' laundry operations are located in New York. During the period covered by this Count, defendants and co-conspirators provided linen supply services to customers located in the New York metropolitan area. In furnishing linen supply services to their customers, defendants and co-conspirators transported a substantial portion of linen supplies across state lines.

11. During the period covered by this Count, the defendants and co-conspirators purchased substantial amounts of linen supplies to replace those that were worn out, lost or destroyed in the ordinary course of business operations. Most of the linen supplies purchased were produced by companies located in states other than New York.

12. During the period covered by this Count, the activities of the defendants and co-conspirators that are the subject of this Count were within the flow of, and substantially affected, interstate trade and commerce.

IV. JURISDICTION AND VENUE

13. The aforesaid combination and conspiracy was carried out, in part, within the Southern District of New York within the five years preceding the filing of this Information.

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

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

COUNT TWO
OBSTRUCTION OF JUSTICE
(18 U.S.C. § 1512(b)(1))

14. Stanley Olan is hereby indicted and made a defendant on the charge stated below in Count Two:

15. During the period covered by this Count, defendant Stanley Olan was Vice President and part owner of Sea Crest, a New York corporation with its principal office in Brooklyn, NY. During the period covered by this Count, Sea Crest was engaged in the business of providing linen supply services in the New York metropolitan area.

I. DESCRIPTION OF THE OFFENSE

16. On or about December 4, 2002, the defendant unlawfully, willfully and knowingly attempted to corruptly persuade another person, with intent to influence, delay and prevent the testimony of that person in an official proceeding, to wit, the defendant, following a meeting at the offices of the New York City Department of Environmental Protection, in Queens, New York, attempted to persuade a co-conspirator to the agreement alleged in Count One to provide false information if questioned by the Government about why the co-conspirator did not solicit the linen supply business of a New York restaurant called the Boathouse.

17. At that time and place, a Grand Jury, sitting in the Southern District of New York, was conducting an investigation to determine, among other things, if any person or

company engaged in the linen supply industry in the New York metropolitan area had committed any violations of the Sherman Act, 15 U.S.C. §1, or other federal criminal laws, in the Southern District of New York and elsewhere.

IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION
1512(b)(1).

Dated:

/s/ _____
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Assistant Attorney General
Antitrust Division
United States Department of Justice

/s/ _____
SCOTT D. HAMMOND
Deputy Assistant Attorney General

/s/ _____
MARC SIEGEL
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