

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

UNITED STATES OF AMERICA,

Plaintiff,

v.

STEAMSHIP TRADE ASSOCIATION OF
BALTIMORE, INCORPORATED;
JOHN S. CONNOR, INC.;
ITC CORPORATION OF BALTIMORE; and
RAMSAY, SCARLETT AND COMPANY, INC.,

Defendants.

COMPLAINT

15 U.S.C. § 1

Conspiracy in
Restraint of
Trade

Civil No.: H-84-1938

Filed: May 10, 1984

COMPLAINT

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

I.

JURISDICTION

1. This complaint is filed and this action is instituted against the defendants by the United States of America 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 violations, as hereinafter alleged, by the

defendants of Section 1 of the Sherman Act, as amended
(15 U.S.C. § 1).

II.

DEFINITIONS

2. As used herein, the term:

(a) "port agent services" means the services performed for the benefit of an owner or charterer of a cargo ship while the ship is in port, including, among other things: supervising the loading and unloading of cargo; arranging for berths, pilots and tugs; securing the necessary documentation; outfitting and repairing the ship; and attending to the needs of the crew;

(b) "port agent" means a person or company that, for a fee or commission, provides port agent services;

(c) "port agent defendants" means John S. Connor, Inc.; ITO Corporation of Baltimore; and Ramsay, Scarlett and Company, Inc.;

(d) "tramp vessel" means a cargo ship that moves without being governed by a schedule of regular port calls, and does not include a liner vessel which regularly travels between specified ports according to a schedule; and

(e) "the port of Baltimore" means the port area located in the State of Maryland on the Patapsco River, off the northern portion of the Chesapeake Bay, and also includes the Chesapeake Bay anchorages in the State of Maryland at Annapolis, Cove Point, and Piney Point.

III.

DEFENDANTS

3. Steamship Trade Association of Baltimore, Incorporated (hereinafter "STAB") is made a defendant herein. STAB is a corporation organized and existing under the laws of the State of Maryland, with offices in the City of Baltimore, Maryland. During the period covered by this complaint, STAB was a trade association whose members included companies that provided port agent services. The business address of STAB is 32 South Street, Baltimore, Maryland 21202.

4. John S. Connor, Inc. is made a defendant herein. John S. Connor, Inc. is a corporation organized and existing under the laws of the State of Maryland, with offices in the City of Baltimore, Maryland. During the period covered by this complaint, John S. Connor, Inc. engaged in the business of providing port agent services and, since 1978, has been a member of STAB. The business address of John S. Connor, Inc. is 33 S. Gay Street, P.O. Box 1717, Baltimore, Maryland 21203.

5. ITO Corporation of Baltimore is made a defendant herein. ITO Corporation of Baltimore is a corporation organized and existing under the laws of the State of Maryland, with offices in the City of Baltimore, Maryland. ITO Corporation of Baltimore is the successor to Atlantic & Gulf Stevedores, Inc., which was a Maryland corporation and from 1977 through 1982 was the sole owner of Terminal Shipping

Company. During the period covered by this complaint, Terminal Shipping Company engaged in the business of providing port agent services and was a member of STAB. The business address of ITC Corporation of Baltimore is 2800 Broening Hwy., Baltimore, Maryland 21222.

6. Ramsay, Scarlett and Company, Inc. is a defendant herein. Ramsay, Scarlett and Company, Inc. is a corporation organized and existing under the laws of the State of Maryland, with offices in the City of Baltimore, Maryland. During the period covered by this complaint, Ramsay, Scarlett and Company, Inc. engaged in the business of providing port agent services and was a member of STAB. The business address of Ramsay, Scarlett and Company, Inc. is 19-21 South Street, Baltimore, Maryland 21202.

IV.

CO-CONSPIRATORS

7. Various firms and individuals, not made defendants herein, including Kerr Steamship Company, Inc., a corporation organized and existing under the laws of the State of New York, and Lavino Shipping Company, a corporation organized and existing under the laws of the State of Delaware, participated as co-conspirators in the violation alleged herein and performed acts and made statements in furtherance thereof.

V.

TRADE AND COMMERCE

8. Port agents are hired by the owners or the charterers of tramp vessels or liner vessels to provide port agent services while such vessels are in a particular port. During the period covered by this complaint, the port agent defendants were among the principal companies engaged in the business of providing port agent services to tramp vessels in the port of Baltimore. In 1980, the port agent defendants and co-conspirators generated revenues of more than \$600,000 from servicing over 600 tramp vessels in the port of Baltimore.

9. During the period covered by this complaint, tramp vessels serviced by port agents in the port of Baltimore, including the tramp vessels serviced by the port agent defendants, moved and carried cargo from one state to another or between the United States and foreign countries. During the period covered by this complaint, these vessels moved and carried cargo in a continuous and uninterrupted flow of interstate and foreign commerce.

10. The activities of the defendants and co-conspirators, which are the subject of this complaint, were within the flow of, and substantially affected, interstate and foreign commerce.

VI.

VIOLATION ALLEGED

11. Beginning at least as early as 1976 and continuing until at least 1981, the exact dates being unknown to the United States, the defendants and co-conspirators engaged in a combination and conspiracy in unreasonable restraint of the aforesaid interstate and foreign trade and commerce, in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1.

12. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding and concert of action among the defendants and co-conspirators to raise, fix and maintain the prices charged for port agent services provided to tramp vessels in the port of Baltimore.

13. 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, the following:

(a) agreeing on, preparing, and revising schedules of fees for port agent services provided to tramp vessels in the port of Baltimore;

(b) publishing and disseminating the aforementioned fee schedules; and

(c) using the aforementioned fee schedules as a substantial part of the pricing structure in determining the amounts to be charged for port agent services provided to tramp vessels in the port of Baltimore.

VII.

EFFECTS

14. The aforesaid combination and conspiracy has had the following effects, among others:

(a) fees for port agent services provided to tramp vessels in the port of Baltimore were raised, fixed and maintained at artificial and noncompetitive levels;

(b) competition for port agent services provided to tramp vessels in the port of Baltimore was restrained and suppressed; and

(c) the public was denied the benefits of free and open competition for port agent services provided to tramp vessels in the port of Baltimore.

PRAYER

WHEREFORE, the plaintiff prays:

1. That the Court adjudge and decree that each defendant has engaged in the alleged combination and conspiracy in unreasonable restraint of the aforesaid interstate and foreign trade and commerce, in violation of Section 1 of the Sherman Act;

2. That each defendant, its successors, assignees, and transferees, and its officers, directors, agents and employees, and all persons acting in concert therewith, be enjoined and restrained from continuing, maintaining or renewing, directly or indirectly, the combination and conspiracy hereinbefore

alleged or from engaging in any other combination or conspiracy having a similar purpose or effect, or from adopting or following any practice, plan, program or device having a similar purpose or effect;

3. That the plaintiff have such other relief as the Court may deem just and proper; and

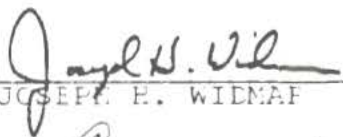
4. That the plaintiff recover the cost of this action.



J. PAUL MCGFATH
Assistant Attorney General



RICHARD A. FEINSTEIN



JOSEPH H. WIDMAR



MICHAEL H. SIMON



ELLIOTT M. SEIDEN



ALAN D. MANESS



JAMES F. WEISS

Attorneys
U.S. Department of Justice

Attorneys
U.S. Department of Justice
P.O. Box 481
Washington, D.C. 20044
(202) 633-4772

J. FREDERICK MOTZ
United States Attorney
District of Maryland

JACK C. TRANTER
Assistant United States Attorney
District of Maryland