



Department of Justice

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**FORMER PRESIDENT OF NEW JERSEY MANUFACTURER AND DISTRIBUTOR OF
FOOD SERVICE EQUIPMENT HARDWARE CHARGED WITH CONSPIRACY TO
ALLOCATE CUSTOMERS**

WASHINGTON — An Atlanta grand jury returned an indictment today against the former president and chief executive officer of a Lakewood, N.J.-based manufacturer and distributor of food service equipment hardware, for conspiring to allocate customers for the sale of commercial and institutional food service equipment hardware, including walk-in refrigeration equipment, the Department of Justice announced.

The one-count felony indictment, returned in U.S. District Court in Atlanta, charges Thomas E. Carr with participating in a conspiracy to allocate customers for the sale of food service equipment hardware sold in the United States and elsewhere beginning in or about early 2004 and continuing at least through December 2008. The purpose of the charged conspiracy was to suppress and eliminate competition in the sale of the food service equipment hardware manufactured or sold by Carr and his co-conspirators.

Food service equipment hardware includes fabricated parts, such as cafeteria hardware, equipment legs and casters, and fabrication supplies, and walk-in refrigeration components, such as metal racks, door hinges, handles, latches, closers and panel fasteners.

According to the indictment, Carr and co-conspirators agreed during meetings, telephone and e-mail discussions to allocate customers of food service equipment hardware; not to compete for one another's protected customers or to submit intentionally high prices or bids to certain customers; and to exchange prices to customers so as not to undercut one another's prices. As part of the conspiracy, Carr and co-conspirators submitted bids and sold food service equipment hardware at collusive and noncompetitive prices.

Carr is charged with allocating customers in violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a \$1 million fine for an individual. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charge is the third to arise from an ongoing federal antitrust investigation of customer allocation in the food service equipment hardware industry. On May 19, 2010, Kason Industries Inc. and its former president, Peter A. Katz, pleaded guilty to the same customer allocation conspiracy charge. On Aug. 17, 2010, Kason Industries was sentenced to pay a criminal fine of \$3.3 million. Katz is scheduled to be sentenced on Jan. 5, 2011. The

investigation is being conducted by the Antitrust Division's Atlanta Field Office and the FBI's Atlanta Office.

Anyone with information concerning customer allocation or other anticompetitive conduct in the food service equipment hardware industry should contact the Antitrust Division's Atlanta Field Office at 404-331-7100 or visit www.justice.gov/atr/contact/newcase.htm.

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