



Department of Justice

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HOUSTON EXECUTIVE CHARGED WITH PRICE FIXING ON METAL BUILDING INSULATION

WASHINGTON, D.C. -- The top executive of a Houston insulation supply company was indicted today by a Houston federal grand jury for price fixing in the sale of metal building insulation sold in Texas and Louisiana and for making false statements to the FBI in regard to the price-fixing conspiracy, the Department of Justice announced.

This is the sixth case brought as a result of the Department's ongoing nationwide antitrust investigation into suspected price fixing in the metal building insulation industry.

Today's indictment was filed in U.S. District Court in Houston against Danny Two-Sheng Fong of Houston, Texas. Fong is the President and a co-owner of Hiplax International Corp., which does business as Brite Insulation.

According to the charges, Fong conspired with others to fix and maintain prices and to coordinate price increases for the sale of metal building insulation he and co-conspirators sold to customers in Texas and Louisiana, in violation of Section One of the Sherman Act. Fong participated in the conspiracy from at least as early as January 1994 until at least June 1995.

The indictment also charged Fong with making false and fraudulent statements to FBI agents in violation of 18 U.S.C. § 1001.

In June 1996, the Department charged Huber Wally Rhodes Jr., a former executive with Atlanta-based Mizell Bros. Co., with price fixing in the sale of metal building insulation. In September and October 1996, Hiplax International Corp. and two of its executives -- Jerrold

Warren Killingsworth and Yun Lung Yueh, also known as Peter Yueh -- were charged with price fixing in the metal building insulation industry. In December 1997, Mark Albert Maloof, a regional sales manager of Bay Industries Inc., was convicted by a Houston federal jury for price fixing and conspiring to commit wire fraud relating to the sale of metal building insulation sold from facilities located in Texas.

The ongoing investigation is being conducted by the Antitrust Division's Dallas Field Office with the assistance of the Federal Bureau of Investigation, Houston Field Division.

The maximum penalty for an individual convicted under the Sherman Act is three years in prison and a fine of \$350,000, twice the pecuniary gain derived from the crime, or twice the pecuniary loss to the victims of the crime, whichever is greatest.

The maximum penalty for an individual convicted under 18 U.S.C. § 1001 is five years in prison, a fine of \$250,000, or both.

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