

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

Plaintiff,

v. : 05-CR-516

GENERAL LINEN SUPPLY &
LAUNDRY CO., INC., d/b/a
CASCADE LINEN & UNIFORM
SERVICE and CASCADE LINEN : Filed: 5/12/05
SUPPLY; BEST METROPOLITAN Violations:
TOWEL & LINEN SUPPLY CO., INC; 15 U.S.C. § 1
JOSEPH LAGANA; and EDWARD
SAVARESE,

Defendants.

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INDICTMENT

The Grand Jury charges:

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

1. The following corporations and individuals are hereby indicted and made
defendants on the charge stated below:

- (a) General Linen Supply & Laundry Co., Inc., doing business as Cascade
Linen & Uniform Service and Cascade Linen Supply;
- (b) Best Metropolitan Towel & Linen Supply Co., Inc.;
- (c) Joseph Lagana; and
- (d) Edward Savarese.

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 Grand Jury, 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. General Linen Supply & Laundry Co., Inc., doing business as Cascade Linen & Uniform Service and Cascade Linen Supply (hereinafter referred to as “Cascade”), is a New York corporation with its principal office in Brooklyn, NY. During the period covered by this Indictment, Cascade was engaged in the business of providing linen supply services primarily in the New York metropolitan area.

6. Defendant Best Metropolitan Towel & Linen Supply Co., Inc. (hereinafter referred to as “Best”), is a New York corporation with its principal office in Brooklyn, NY. During the period covered by this Indictment, Best was engaged in the business of providing linen supply services in the New York metropolitan area.

7. During the period covered by this Indictment, defendant Joseph Lagana was Vice President of defendant Cascade.

8. During the period covered by this Indictment, defendant Edward Savarese was Vice President and part owner of defendant Best.

9. Whenever in this Indictment 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.

10. 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

11. 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.

12. The defendants' and co-conspirators' laundry operations are located in New York. During the period covered by this Indictment, 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.

13. During the period covered by this Indictment, 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.

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

IV. JURISDICTION AND VENUE

15. The aforesaid combination and conspiracy was carried out, in part, within the Southern District of New York within the five years preceding the return of this Indictment.

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

Dated:

A TRUE BILL:

/s/ _____
FOREPERSON

/s/ _____
R. HEWITT PATE
Assistant Attorney General
Antitrust Division
United States Department of Justice

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

/s/ _____
MARC SIEGEL
Director of Criminal Enforcement
Antitrust Division
United States Department of Justice

/s/ _____
DAVID N. KELLEY
United States Attorney
Southern District of New York

/s/ _____
RALPH T. GIORDANO
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