

**UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT
GRAND JURY H-05-1**

UNITED STATES OF AMERICA	:	CRIM. NO. <u>3:06CR323CFD</u>
	:	
v.	:	VIOLATION: 15 U.S.C. § 1
	:	(Conspiracy to Restrain Trade)
STORA ENSO NORTH AMERICA	:	
CORP.	:	FILED: 12/13/06
	:	

INDICTMENT

(Conspiracy to Restrain Trade in Violation of 15 U.S.C. § 1)

The Grand Jury charges that:

A. The Offense

1. Beginning sometime in August 2002, and continuing through at least June, 2003, the exact dates being unknown to the Grand Jury, STORA ENSO NORTH AMERICA CORPORATION (“SENA”), and other co-conspirators entered into and engaged in a combination and conspiracy to fix the price at which certain brand name, coated publication papers sold by SENA and its co-conspirators (“subject magazine papers”), were sold to customers in the United States. The combination and conspiracy unreasonably restrained interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

2. The charged combination and conspiracy consisted of an agreement, understanding, and concert of action among the defendants and co-conspirators, the substantial term of which was to fix, raise and maintain the prices at which the subject

magazine papers were sold in the United States.

B. Means and Methods of the Conspiracy

3. For the purpose of forming and carrying out the charged combination and conspiracy, the defendants and co-conspirators did those things that they combined and conspired to do, including, among other things:

- (a) engaging in communications and meetings regarding the prices at which the subject magazine papers were sold and would be sold in the United States. These communications and meetings took place both inside and outside the United States.
- (b) agreeing during those communications and meetings to increase the prices of the subject magazine papers sold in the United States;
- (c) issuing price announcements for the subject magazine papers in accordance with the agreement reached;
- (d) selling the subject magazine papers to customers located throughout the United States at collusive and non-competitive prices; and
- (e) accepting payment for the subject magazine papers sold at collusive and noncompetitive prices.

C. Background

4. The subject magazine papers include brand name, coated publication papers sold by SENA and its co-conspirators. The subject magazine papers were primarily used by customers in the production of magazines and high-volume catalogues.

5. Coated papers have a smooth clay coating applied over a free-sheet or ground-wood base paper. Coated papers are particularly valued for their crisp, vibrant reproduction of color graphics and photographs.

D. Defendant and Co-Conspirators

6. During the period covered by this Indictment, STORA ENSO NORTH AMERICA CORPORATION (“SENA”) was a corporation organized and existing under the laws of the state of Wisconsin. SENNA is a U.S.-based subsidiary of Stora Enso Oyj (“Stora Enso”). Stora Enso is foreign corporation headquartered in Helsinki, Finland.

7. During the period set forth in this Indictment, SENNA’s primary business included the sale and marketing of fine paper, magazine paper, newsprint and specialty papers in North America. SENNA has sales offices, in among other areas, California, Connecticut, Georgia, Illinois, New York, and Texas. SENNA’s paper sales are targeted at publishers, retailers, catalogers, commercial printers and merchants.

8. Others, not made defendants in this Indictment, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

9. Whenever in this Indictment reference is made to any act, deed or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control or transaction of its business or affairs.

E. Trade and Commerce

10. During the period covered by this Indictment, the subject magazine papers were manufactured in the United States and elsewhere, and sold by the conspirators to customers located throughout the United States in a continuous and uninterrupted flow of interstate and foreign trade and commerce. In addition, substantial quantities of materials and supplies used in the production of the subject magazine papers, as well as payments for the papers, traveled in interstate and foreign trade and commerce.

11. During the period covered by this Indictment, the business activities of the defendant and co-conspirators, which are the subject of this Indictment, were within the flow of, and substantially affected, interstate and foreign trade and commerce.

F. Jurisdiction and Venue

12. The combination and conspiracy charged in this Indictment was carried out, in part, in the state of Connecticut within the five years preceding the return of this Indictment.

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

A TRUE BILL:

DATED: 12/13/06

_____/s/_____
FOREPERSON

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

A TRUE BILL:

DATED: 12/13/06

_____/s/
FOREPERSON

_____/s/
THOMAS O. BARNETT
Assistant Attorney General
Antitrust Division
U.S. Department of Justice

_____/s/
KEVIN J. O'CONNOR
United States Attorney
District of Connecticut

_____/s/
SCOTT D. HAMMOND
Deputy Assistant Attorney General
Antitrust Division
U.S. Department of Justice

_____/s/
NANCY H. McMILLEN
JOHN F. TERZAKEN
CALVIN C. CHEUNG
PATRICK B. EGAN
Attorneys, Nat'l Criminal Enforcement Section
Antitrust Division
U.S. Department of Justice

_____/s/
MARC SIEGEL
Director of Criminal Enforcement
Antitrust Division
U.S. Department of Justice

_____/s/
LISA M. PHELAN
Chief, Nat'l Criminal Enforcement Section
Antitrust Division
U.S. Department of Justice