

IN THE MATTER OF
WESTINGHOUSE ELECTRIC SUPPLY COMPANY ET AL.¹

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 4798. Complaint, Aug. 6, 1942—Decision, Sept. 29, 1944

Where an individual, agent in city concerned of a corporation engaged in the interstate purchase and sale of "electrical equipment and supplies" (including electric cable, wire, switches, conduits, fittings, condulets, potheads, cableheads, transformers, insulators, lighting fixtures, lamps and accessories), along with others similarly there engaged, and in competition among themselves and with others, including two certain concerns, except insofar as said competition had been restricted or forestalled as below set forth; instrumental, together with a second similarly engaged agent of said corporation, in effecting purchase and sale of such equipment and supplies;

Following arrangements by the Navy with a shipbuilding company under which latter was to undertake construction of naval vessels, and pursuant to which (1) the Navy agreed to arrange for the advancing of the necessary funds to rehabilitate the facilities at the company's shipyards in said city, including office buildings and shipways, to be expended under the general supervision of the Navy and subject to its approval, and (2) the company contracted with a general contractor for the reconstruction by him of said office buildings and shipways on a cost-plus-a-fixed-fee basis, with the understanding that in securing materials or services he would obtain competitive offers from as many as practicable, but not less than two—or three where specified—reputable firms, and award a contract to the firm quoting the minimum price; bids to be opened by or in the presence of the Supervisor of Shipbuilding of the Navy or his representative, and to be subject to his approval before award of the subcontract—

With intent and effect of deceiving and misleading buyers and prospective buyers into believing, considering and approving bids submitted as genuine and competitive bids of three competing sellers of "electric equipment and supplies," prepared and submitted to them over a period of some fifteen months or more fictitious bids, which he prepared on stationery bearing the letterheads of other firms, and competitors (including the two concerns aforesaid), and procured by him from them, and which, over the purported but false signatures of officials of said concerns, written by him or at his direction, tendered bids quoting higher prices than his own;

With the result that said corporation enjoyed awards of numerous contracts to it by said contractor, his employees, agents and subcontractors, with the approval of officials of said ship building company and representatives of the Navy Supervisor of Shipbuilding, secured through deception as aforesaid; and with the effect of depriving buyers and prospective buyers of electrical equipment and supplies, of the benefit of competition in commerce between and among said sellers thereof, and between them and their competitors:

¹ The instant case is one of a group of eight having to do with the preparation and submission of sham, false, fictitious, fraudulent and non-competitive bids in connection with the Navy's arrangement for the construction of ships by the Cramp Shipbuilding Co. at its shipyards in Philadelphia. For list of these cases, see footnote to the case of the Grater-Bodey Co., et al., Docket 4799, p. 113.

Held, That such acts, practices and methods, under the circumstances set forth, were all to the prejudice of the public; had a dangerous tendency to and did actually restrain and eliminate competition in the sale of said products in commerce; had the tendency and capacity to and did unreasonably restrain such commerce in said products; had a dangerous tendency to create in aforesaid corporation a monopoly in the sale and distribution of said products; and constituted unfair methods of competition and unfair and deceptive acts and practices and commerce.

Mr. Everette MacIntyre and Mr. V. W. Summers for the Commission:
Saul, Ewing, Remick & Harrison, of Philadelphia, Pa., for Westinghouse Electric Supply Co.

Rawle & Henderson, of Philadelphia, Pa., for R. R. Dewees.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission having reason to believe that the Westinghouse Electric Supply Co. and R. R. Dewees, named in the caption hereof and more particularly hereinafter described and referred to as respondents, have violated the provisions of Section 5 of the said act and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint against each of the said parties, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, Westinghouse Electric Supply Co., is a corporation, organized and existing under the laws of the State of Delaware with its office and principal place of business located at 150 Varick Street, New York, N. Y. and with a branch or district office located at 1101 Race Street, Philadelphia, Pa.

Respondent, R. R. Dewees, is an individual, who has served as an employee and agent of the respondent, Westinghouse Electric Supply Co., 1101 Race Street, Philadelphia, Pa. during the period covered by the activities involved in the charges of this complaint.

PAR. 2. Charles F. Rohleder, is an individual, engaged in general contracting and construction work, with office and principal place of business located at 2134 Cherry Street, Philadelphia, Pa.

Allen McLaine Ward and J. R. Baldrige, Jr., during the period covered by the activities involved in the charges of this complaint served as employees and agents of said Charles F. Rohleder.

J. P. Rainey, is an individual, engaged in the electrical contracting business and trading as J. P. Rainey & Co., 511 North Broad Street, Philadelphia, Pa. He, during the period covered by the activities involved in the charges in the complaint also served as an employee and agent of Charles F. Rohleder.

Walker Bros., is a corporation, with its office and principal place of business located at Conshohocken, Pa. It is engaged in the purchase, manufacture and sale of "electrical equipment and supplies."

Anthony M. Callanan, is an individual, who during the period covered by the activities involved in the charges of this complaint served as a vice president and agent of said Walker Bros.

Adelphia Electric Co., is a Pennsylvania corporation, with principal place of business located at 125 North 10th Street, Philadelphia, Pa.

Norman T. Leithold, is an individual, who during the period covered by the activities involved in the charges of this complaint served as secretary and agent of said Adelphia Electric Co.

PAR. 3. At all times hereinafter mentioned Charles F. Rohleder, directly and through his agents, Allen McLaine Ward, J. R. Baldrige, Jr., and J. P. Rainey, has been engaged in negotiating with and buying from respondent, Westinghouse Electric Supply Co., J. P. Rainey & Co., and Walker Bros., directly and through their agents, including respondent, R. R. Dewees, J. P. Rainey and Anthony M. Callanan, "electrical equipment and supplies" which were shipped from many points located in States other than the State of Pennsylvania by the sellers or their suppliers to Charles F. Rohleder or his agents at Cramp Shipbuilding Co. shipyard, Richmond and Norris Streets, Philadelphia, Pa.

At all times hereinafter mentioned, J. P. Rainey, doing business as J. P. Rainey & Co., has been engaged in the electrical contracting business and in that capacity, and also as an agent of Charles F. Rohleder, has purchased "electrical equipment and supplies" from respondent, Westinghouse Electric Supply Co., Walker Brothers, and others, and caused such "electrical equipment and supplies" to be shipped from locations in States other than the State of Pennsylvania to him in Philadelphia, Pa.

At all times hereinafter mentioned, respondent, Westinghouse Electric Supply Co., has been engaged in the purchase and sale of "electrical equipment and supplies" and causing the same to be shipped from points of manufacture in various States through and to locations in other States, including Philadelphia, Pa., where such "electrical equipment and supplies" were used by the buyers.

At all times hereinafter mentioned, Walker Brothers, has been engaged in the manufacture, purchase and sale of "electrical equipment and supplies" and causing the same to be shipped from points of manufacture in various States through and to locations in other States, including Philadelphia, Pa., where such electrical supplies and equipment were used by the buyers.

At all times hereinafter mentioned, Adelphia Electric Co., has been engaged in the purchase and sale of "electrical equipment and supplies" and causing the same to be shipped from points of manufacture in various States through and to locations in other States, including Philadelphia, Pa., where such electrical supplies and equipment were used by the buyers.

At all times hereinafter mentioned respondent, R. R. Dewees, and Anthony M. Callanan, as agents of respondent, Westinghouse Electric Supply Co. and Walker Bros., respectively, have been instrumental in effecting purchase and sale of "electrical equipment and supplies" and causing the same to be shipped from points of manufacture in various States through and to locations in other States, including Philadelphia, Pa., where such "electrical equipment and supplies" were used by the buyers.

PAR. 4. Respondent, Westinghouse Electric Supply Co., Walker Bros., Adelphia Electric Co., and others not named herein are engaged in the purchase and sale of "electrical equipment and supplies" in Philadelphia, Pa., have been and are in competition between and among themselves and with one or more purchasers and sellers of electrical supplies in making or

seeking to make sales in commerce between and among the various States of the United States of "electrical equipment and supplies" except in so far as said competition has been hindered, lessened, restricted or forestalled by the acts, things, practices, policies and methods done and carried on as hereinafter set forth.

PAR. 5. The term "electrical equipment and supplies" as used herein includes, but is not limited to, such items as electric cable, electric wire, electric switches, electric conduit, fittings, condulets, potheads, cableheads, transformers, insulators, lighting fixtures, lamps and accessories.

PAR. 6. During 1940, as a part of its work in the Defense Program of the United States of America, the Navy Department arranged with Cramp Shipbuilding Co., whose shipyards are located at Richmond and Norris Streets, Philadelphia, Pa., for the latter to undertake the construction of naval vessels and in that connection agreed to arrange for the advancement of the necessary funds to rehabilitate the facilities at the said shipyard, including office buildings and shipways, with the understanding that the expenditure of the said funds for such work would be under the general supervision and subject to the approval of officials of the United States Navy Department. Thereupon the said Cramp Shipbuilding Co. contracted with Charles F. Rohleder for the latter to reconstruct certain office buildings and shipways on a cost plus a fixed fee basis, with the understanding that the said Rohleder in securing materials and services would obtain competitive offers from as many as practicable, but not less than two (and not less than three where specified) reputable firms in a position to provide the material, equipment and services, as required at a reasonable cost, and to award contract to that firm quoting the minimum price; and with the further understanding that the said offers, proposal or bids were to be opened by or in the presence of the Supervisor of Shipbuilding, U. S. Navy, or his representative, and subject to his approval before award of the sub-contract for materials, equipment and services.

In connection with his aforesaid contract with Cramp Shipbuilding Co., Charles F. Rohleder negotiated with and made awards of contracts for the purpose, directly and through agents, of "electrical equipment and supplies" from J. P. Rainey, respondent, R. R. Dewees, respondent, Westinghouse Electric Supply Co., Walker Bros., Adelphia Electric Co. and others.

PAR. 7. Throughout a period of time beginning on or about the first day of October 1940, and continuing thereafter until subsequent to January 1, 1942, said respondent, R. R. Dewees, in his capacity as an employee and agent of said respondent, Westinghouse Electric Supply Co., engaged in the practice of preparing and submitting sham, false, fictitious, fraudulent and non-competitive bids to buyers and prospective buyers of "electrical equipment and supplies" in "commerce" (as "commerce" is defined in the Federal Trade Commission Act). As part of the aforesaid practice on each of a number of occasions, in response to invitations which he received as an agent of respondent, Westinghouse Electric Supply Co., from buyers and prospective buyers of electrical supplies, for bids and quotations, said respondent proceeded to and did prepare on the stationery bearing the letterhead of respondent, Westinghouse Electric Supply Co., a bid or price quotation and then prepared bids quoting higher and different prices on stationery bearing the letterheads of other firms including Walker Bros.,

Conshohocken, Pa., and Adelphia Electric Co., Philadelphia, Pa., which said respondent, R. R. Dewees, procured from said competitors. Said bids and price quotations as thus prepared and written by respondent, R. R. Dewees, were over the purported, but false, signatures of officials of Walker Bros. and Adelphia Electric Co. but such signatures were in fact written by respondent, R. R. Dewees, or at his direction or by other employees and agents of respondent, Westinghouse Electric Supply Co. In each instance when three bids, one purporting to be the bid of respondent, Westinghouse Electric Supply Co., one the bid of Adelphia Electric Co., and one the bid of Walker Bros., were thus prepared or caused to be prepared by respondent, R. R. Dewees, he submitted or caused the same to be submitted to buyers and prospective buyers of "electrical equipment and supplies" for the purpose and with the result of deceiving and misleading such buyers and prospective buyers into believing, considering and approving such said bids as genuine and competitive bids of three competing sellers of "electrical equipment and supplies."

Respondent, Westinghouse Electric Supply Co., as a result of the submission of sham, false, fictitious, fraudulent and noncompetitive bids by its agent, respondent, R. R. Dewees, as aforesaid, enjoyed awards of numerous contracts to it by said Charles F. Rohleder, his employees, agents and subcontractors, with the approval of officials of Cramp Shipbuilding Co. and representatives of the Supervisor of Ships, U. S. Navy, secured through deception as aforesaid.

PAR. 8. The doing and performing of the acts and things and the use of the method set forth in the immediately preceding paragraph hereof tend to have and have had the effect of depriving buyers and prospective buyers of "electrical equipment and supplies" of the benefit of competition in commerce between and among sellers of electrical supplies and equipment and between them and their competitors.

PAR. 9. The acts, practices and methods, as hereinbefore alleged, are all to the prejudice of the public; have a dangerous tendency and have actually frustrated, hindered, suppressed, lessened, restrained and eliminated competition in the sale of "electrical equipment and supplies" in commerce within the intent and meaning of the Federal Trade Commission Act; have the tendency and capacity to restrain unreasonably and have restrained unreasonably such commerce in such products; have a dangerous tendency to create in respondent, Westinghouse Electric Supply Co., a monopoly in the sale and distribution of such products and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on August 6, 1942, issued and subsequently served its complaint in this proceeding upon the respondents named in the caption hereof, charging them with the use of unfair methods of competition and unfair and deceptive acts and practices in commerce in violation of the provisions of the Federal Trade Commission Act. After the issuance

of the said complaint and the filing of the respondents' answers, the Commission, by order entered herein, granted the requests of respondents for permission to withdraw their answers and to substitute therefor answers admitting all of the material allegations of fact set forth in the said complaint and waiving all intervening procedure and further hearing as to said facts, which substitute answers were duly filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission on the said complaint and substitute answers; and the commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. (a) Respondent, Westinghouse Electric Supply Co., is a corporation, organized and existing under the laws of the State of Delaware, with its office and principal place of business located at 150 Varick Street, New York, N. Y., and with a branch or district office located at 1101 Race Street, Philadelphia, Pa.

(b) Respondent, R. R. Dewees, was an individual, who served as an employee and agent of respondent, Westinghouse Electric Supply Co., 1101 Race Street, Philadelphia, Pa., during the period covered by the activities hereinafter specified. He died on August 10, 1944.

PAR. 2. (a) Charles F. Rohleder, is an individual, engaged in general contracting and construction work, with his office and principal place of business located at 2134 Cherry Street, Philadelphia, Pa.

(b) Allen McLaine Ward and J. R. Baldrige, Jr., during the period covered by the activities hereinafter specified, served as employees and agents of said Charles F. Rohleder.

(c) J. P. Rainey, is an individual, engaged in the electrical contracting business trading as J. P. Rainey & Co., 511 North Broad Street, Philadelphia, Pa. During the period covered by the activities hereinafter specified he also served as an employee and agent of Charles F. Rohleder.

(d) Walker Bros., is a corporation, with its office and principal place of business located at Conshohocken, Pa. It is engaged in the purchase, manufacture, and sale of "electrical equipment and supplies."

(e) Anthony M. Callanan, is an individual, who during the period covered by the activities hereinafter specified, served as vice president and agent of said Walker Bros.

(f) Adelphia Electric Co., is a corporation, organized and existing under the laws of the State of Pennsylvania, with its principal place of business located at 125 North 10th Street, Philadelphia, Pa.

(g) Norman T. Leithold, is an individual, who during the period covered by the activities hereinafter specified, served as secretary and agent of said Adelphia Electric Co.

PAR. 3. (a) At all times hereinafter mentioned Charles F. Rohleder, directly and through his agents, Allen McLaine Ward, J. R. Baldrige, Jr., and J. P. Rainey, has been engaged in negotiating with and buying from respondent, Westinghouse Electric Supply Co., J. P. Rainey & Co.,

and Walker Bros., directly and through their agents, including J. P. Rainey, Anthony M. Callanan, and respondent, R. R. Dewees, "electrical equipment and supplies" which were shipped by the sellers or their suppliers from many points located in States other than the State of Pennsylvania to Charles F. Rohleder or his agents at the Cramp Shipbuilding Co. shipyard, Richmond and Norris Streets, Philadelphia, Pa.

(b) At all times hereinafter mentioned J. P. Rainey, doing business as J. P. Rainey & Co., has been engaged in the electrical contracting business, and in that capacity and also as an agent of Charles F. Rohleder has purchased "electrical equipment and supplies" from respondent Westinghouse Electric Supply Co., Walker Brothers, and others, and has caused such "electrical equipment and supplies" to be shipped from locations in States other than the State of Pennsylvania to him in Philadelphia, Pa.

(c) At all times hereinafter mentioned respondent, Westinghouse Electric Supply Co., has been engaged in the purchase and sale of "electrical equipment and supplies" and has caused the same to be shipped from points of manufacture in various States to locations in other States, including Philadelphia, Pa., where such "electrical equipment and supplies" were used by the buyers.

(d) At all times hereinafter mentioned Walker Bros. has been engaged in the manufacture, purchase, and sale of "electrical equipment and supplies" and has caused the same to be shipped from points of manufacture in various States to locations in other States, including Philadelphia, Pa., where such electrical supplies and equipment were used by the buyers.

(e) At all times hereinafter mentioned Adelphia Electric Co. has been engaged in the purchase and sale of "electrical equipment and supplies" and has caused the same to be shipped from points of manufacture in various States to locations in other States, including Philadelphia, Pa., where such electrical supplies and equipment were used by the buyers.

(f) At all times hereinafter mentioned respondent, R. R. Dewees, and Anthony M. Callanan, as agents of respondent, Westinghouse Electric Supply Co., and Walker Bros., respectively, have been instrumental in effecting the purchase and sale of "electrical equipment and supplies" and causing the same to be shipped from points of manufacture in various States to locations in other States, including Philadelphia, Pa., where such "electrical equipment and supplies" were used by the buyers.

PAR. 4. Respondent, Westinghouse Electric Supply Co., Walker Bros., Adelphia Electric Co., and others not named herein, are engaged in the purchase and sale of "electrical equipment and supplies" in Philadelphia, Pennsylvania, and have been, and are, in competition between and among themselves and with one or more purchasers and sellers of electrical supplies in making or seeking to make sales of "electrical equipment and supplies" in commerce between and among the various States of the United States, except insofar as said competition has been hindered, lessened, restricted, or forestalled by the acts and things done and the practices, policies, and methods followed, as hereinafter set forth.

PAR. 5. The term "electrical equipment and supplies" as used herein includes, but is not limited to, such items as electric cable, electric wire, electric switches, electric conduit, fittings, condulets, potheads, cableheads, transformers, insulators, lighting fixtures, lamps, and accessories.

PAR. 6. During 1940, as a part of its work in the defense program of the United States of America, the Navy Department arranged with the Cramp Shipbuilding Co., whose shipyards are located at Richmond and Norris Streets, Philadelphia, Pa., for the latter to undertake the construction of naval vessels, and in that connection agreed to arrange for the advancement of the necessary funds to rehabilitate the facilities at the said shipyard, including office buildings and shipways, with the understanding that the expenditure of the said funds for such work would be under the general supervision and subject to the approval of officials of the United States Navy Department. Thereupon, the said Cramp Shipbuilding Co. contracted with Charles F. Rohleder for the latter to reconstruct certain office buildings and shipways on a cost-plus-a-fixed-fee basis, with the understanding that the said Rohleder, in securing materials and services, would obtain competitive offers from as many as practicable, but not less than two (and not less than three where specified) reputable firms in a position to provide the material, equipment, and services as required, at a reasonable cost, and to award contract to that firm quoting the minimum price; and with the further understanding that the said offers, proposals, or bids were to be opened by, or in the presence of, the Supervisor of Shipbuilding, United States Navy, or his representatives, and were to be subject to his approval before award of the subcontract for materials, equipment, and services. In connection with his said contract with the Cramp Shipbuilding Co., Charles F. Rohleder negotiated with and made awards of contracts for the purchase, directly and through agents, of "electrical equipment and supplies" from respondent, R. R. Dewees, respondent, Westinghouse Electric Supply Co., J. P. Rainey, Walker Bros., Adelphia Electric Co., and others.

PAR. 7. Throughout a period of time beginning on or about the first day of October 1940 and continuing thereafter until subsequent to January 1, 1942, respondent, R. R. Dewees, in his capacity as an employee and agent of respondent, Westinghouse Electric Supply Co., engaged in the practice of preparing and submitting sham, false, fictitious, fraudulent, and non-competitive bids to buyers and prospective buyers of "electrical equipment and supplies" in commerce, as "commerce" is defined in the Federal Trade Commission Act. On each of a number of occasions, in response to invitations for bids and quotations which he received as an agent of respondent, Westinghouse Electric Supply Co., from buyers and prospective buyers of electrical supplies, said respondent, as a part of the aforesaid practice, proceeded to, and did, prepare a bid or price quotation on stationery bearing the letterhead of respondent, Westinghouse Electric Supply Co., and then prepared bids quoting higher and different prices on stationery bearing the letterheads of other firms, including Walker Bros., Conshohocken, Pa., and Adelphia Electric Co., Philadelphia, Pa., which letterheads respondent, R. R. Dewees, procured from said competitors. The bids and price quotations as thus prepared and written by respondent, R. R. Dewees, were over the purported, but false, signatures of officials of Walker Bros. and Adelphia Electric Co., but such signatures were in fact written by respondent, R. R. Dewees, or at his direction, or by other employees and agents of respondent, Westinghouse Electric Supply Co. In each instance when three bids, one purporting to be the bid of respondent, Westinghouse Electric Supply Co., one the bid of Adelphia Electric Co.,

and one the bid of Walker Bros., were thus prepared or caused to be prepared by respondent, R. R. Dewees, he submitted or caused the same to be submitted to buyers and prospective buyers of "electrical equipment and supplies" for the purpose and with the result of deceiving and misleading such buyers and prospective buyers into believing, considering, and approving such said bids as genuine and competitive bids of three competing sellers of "electrical equipment and supplies." Respondent, Westinghouse Electric Supply Co., as a result of the submission of sham, false, fictitious, fraudulent, and noncompetitive bids by its agent, respondent, R. R. Dewees, as aforesaid, enjoyed awards of numerous contracts to it by said Charles F. Rohleder, his employees, agents, and subcontractors, with the approval of officials of the Cramp Shipbuilding Co. and representatives of the Supervisor of Shipbuilding, United States Navy, secured through deception as aforesaid.

PAR. 8. The doing and performing of the acts and things and the use of the methods set forth above, tend to have, and have had, the effect of depriving buyers and prospective buyers of "electrical equipment and supplies" of the benefit of competition in commerce between and among sellers of electrical supplies and equipment and between them and their competitors.

CONCLUSION

The acts, practices, and methods, as hereinbefore found, are all to the prejudice of the public; have a dangerous tendency to and have actually frustrated, hindered, suppressed, lessened, restrained, and eliminated competition in the sale of "electrical equipment and supplies" in commerce within the intent and meaning of the Federal Trade Commission Act; have the tendency and capacity to restrain unreasonably, and have restrained unreasonably, such commerce in such products; have a dangerous tendency to create in respondent, Westinghouse Electric Supply Co., a monopoly in the sale and distribution of such products; and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the substitute answers of the respondents, in which answers respondents, Westinghouse Electric Supply Co. and R. R. Dewees, admitted all of the material allegations set forth in said complaint and waived all intervening procedure and further hearing as to the facts, and the Commission having made its findings as to the facts and its conclusion that the said respondents have violated the provisions of Section 5 of the Federal Trade Commission Act.

It is ordered, That respondent, Westinghouse Electric Supply Co., a corporation, its officers, representatives, agents, and employees, in connection with the offering for sale, sale, and distribution of electric cable, electric

wire, electric switches, conduit, fittings, condulets, potheads, cableheads, transformers, insulators, lighting fixtures, lamps, and accessories, or other electrical equipment or supplies, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from doing or performing any of the following acts, things, or practices:

1. Conveying or assisting in conveying to buyers or prospective buyers, or to any official or awarding authority of any Federal agency, or to any one contracting with such agency, or to any one acting for or on behalf of such agency or for or on behalf of any contractor with such agency, any representation that any two or more apparent sellers are rival bidders or competitors, when in reality they are acting collusively in preparing and submitting bids.

2. Aiding, assisting, or cooperating in any manner in the submission of any sham, fictitious, fraudulent, or noncompetitive bids or price quotations to any buyer or prospective buyer, or to any Federal agency or any one acting for or on its behalf, or for or on behalf of any party purchasing material or equipment in fulfillment of a contract with such agency.

3. Interfering with or assisting in interfering with the procurement or consideration of genuinely competitive bids or price quotations by any Federal agency or any official or awarding authority of such agency, or by any buyer or prospective buyer.

4. Promoting, establishing, carrying out, or continuing any act or practice for the purpose or with the effect of maintaining or presenting a false appearance of competition between or among sellers in the submission of price quotations or bids to buyers or prospective buyers.

5. Arranging or attempting to arrange for the filing of any bid in the name of one ostensibly competing bidder when the prices and terms are in fact determined by some other bidder or when in fact the bid is not a bona fide bid.

Provided, however, That nothing contained in this order shall be deemed to prohibit any lawful action under any lawful license agreement under any patent.

It is further ordered, That, for the reason appearing in subparagraph (b) of paragraph 1 of the findings as to the facts herein, the complaint herein be, and the same hereby is, dismissed as to respondent, R. R. Dewees.

It is further ordered, That the respondent shall, within 60 days after the service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

IN THE MATTER OF

ROBERT M. CALVERT AND RALPH D. WESTER

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 5019. Complaint, July 29, 1943—Decision, Sept. 29, 1944

Where two individuals engaged in interstate sale and distribution of incense, powders, oils, stones, etc., claimed by them to possess magical and supernatural powers, including among others, "*Lucky Mo-Jo Perfume*—\$1.00. Many say it brings luck and health in love affairs," "*Genuine Magnetic Loadstone*—\$1.00. Carry it in your pocket or purse always," "*Black Cat Ring*—\$1.50. Worn by many to ward off evil and to bring Success," "*Black Magic Voodooos Bring Back Powders*"; through statements in circular letters and other advertising material, including cards and price lists—

Falsely represented through their various statements and designations, including use of such words as "lucky" and "magic," directly or by implication, that the articles sold by them possessed mystic, magical, and supernatural powers, and that use thereof would bring to the user good luck, health, success, wealth, prosperity, happiness, and love, and enable him to solve any problem with which he might be confronted;

With tendency and capacity to mislead and deceive a substantial portion of the purchasing public with respect to the nature and efficacy of their products, and thereby to cause it to purchase substantial quantities thereof:

Held: That such acts and practices, under the circumstances set forth, were all to the prejudice of the public and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. Arthur F. Thomas*, trial examiner.

Mr. Randolph W. Branch for the Commission.

Clarke, Longmire & Lane, of Chicago, Ill., for respondents.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Robert M. Calvert and Ralph D. Wester, hereinafter referred to as respondents, have violated the provisions of said act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondents, Robert M. Calvert and Ralph D. Wester, are individuals, trading under the names West African Specialty Co. and African Specialty Co., with an office and principal place of business at 309 East 47th Street, Chicago, Ill.

PAR. 2. Respondents are now, and have been for more than two years last past, engaged in the business of selling powders, oils, incense, books and other goods. Respondents cause the said articles to be transported