



**Consumer Federation of America**

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## **CFA Calls For Compensation to Consumers**

### **Corporations Get Millions, Consumers Get Zero In Vitamin Settlement**

Washington, DC – In reaction to the largest settlement ever paid in an antitrust lawsuit, Senator (ret.) Howard Metzenbaum, former chairman of the Senate Antitrust committee and chairman of the Consumer Federation of America, called on the Court to set aside a substantial portion of the settlement to be made available directly to anti-hunger programs.

Metzenbaum, a staunch advocate of strong and fair antitrust laws, said in an appearance before the court, “I urge the Court to consider the interests of consumers who, absent this Court’s intercession, will become nothing but bystander’s while the reported sum of \$1,100,000,000 is transferred from the vitamin manufacturers to the corporation who were the direct purchasers of their products.”

The corporate beneficiaries of this settlement long ago passed on the increased costs that are the subject of this action to the consumers who bought their products. “The sad fact is, under the proposed settlement, these consumers are in no way being reimbursed for the additional expenses they paid because of the overpriced vitamin costs,” said Metzenbaum

This is not the first time the interests of consumers have been overlooked in the settlement of a highly publicized antitrust case involving overcharges for food products. Just three years ago, in October 1996, a lengthy price-fixing investigation involving Archer Daniels Midland Co. ended with a settlement under which ADM was to pay a record \$190,000,000 in civil and criminal penalties. As in the current matter, the ADM activities that were the subject of the investigation had been adding to consumers’ grocery bills for years. And yet, this group most affected by ADM’s actions – consumers – did not share in the settlement.

Metzenbaum and the Consumer Federation of America urge the Court to ask that the parties set aside a significant amount, at the least 20 percent of the settlement, to be made available to facilities that distribute food to the needy. Since there are separate pending actions on behalf of consumers in 16 states and the District of Columbia, the Senator and CFA urge that any settlement amount set aside as requested be allocated only to programs in the other 34 states in which no avenue is available for consumers to be reimbursed.

Metzenbaum said, “It shocks one’s conscience that the consumers who have paid billions of

dollars in additional costs as a result of the vitamin companies actions will not share in this settlement. Shouldn't some of these overcharges be allotted to feed millions who go hungry every day in our country instead of to the businesses who suffered little or no loss because they passed along the higher costs? ”

The Consumer Federation of America is a non-profit association of over 250 pro-consumer groups, with a combined membership of 50 million. Founded in 1968, it advances the consumer interest through advocacy and education.

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