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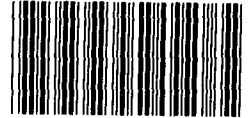
**UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548**

GENERAL GOVERNMENT  
DIVISION

RELEASED

NOVEMBER 13, 1979

B-167620



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David W.

The Honorable Dave Evans  
House of Representatives

GHS00001

Dear Mr. Evans:

-AGC00414

Subject: [Authority of the Antitrust Division Over  
Antitrust and Paramount Decree Violations]  
(GGD-80-24)

Your July 17, 1979, letter requested that our Office reconsider the findings presented to you in our June 14, 1979, report. That report addressed your constituent's complaint concerning the Antitrust Division's handling of complaints of antitrust and Paramount Decree violations in the motion picture industry and its practice of retaining jurisdiction in Washington over these matters.

To comply with your request, we made additional inquiries into this matter. We reviewed the Antitrust Division's correspondence file of letters between the complainant and the Division, as well as the information provided by your Office. Your constituent (a) is dissatisfied with the Antitrust Division's treatment of complaints involving the motion picture industry, and (b) wants the U.S. attorney from the southern district of Indiana to investigate and prosecute antitrust and Paramount Decree violations involving the motion picture industry. Your constituent believes, and has stated in letters, that the same U.S. attorney should be granted such authority without interference from the Antitrust Division. The Antitrust Division disagrees, considering it unwise to grant any U.S. attorney such a general authority.

ANTITRUST DIVISION PROCEDURES REQUIRE  
U.S. ATTORNEYS TO OBTAIN AUTHORITY  
TO CONDUCT INVESTIGATIONS

While the Antitrust Division encourages U.S. attorneys to vigorously enforce antitrust laws, it nevertheless

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requires them to seek its authority to do so on a case-by-case basis. The procedures to be followed are set forth in the U.S. Attorneys' Manual and are similar to those which apply to Antitrust Division attorneys. A request for authority for a preliminary inquiry, whether from a U.S. attorney or Antitrust Division attorney, forms the basis on which the Antitrust Division's management makes its decision to pursue or not pursue an investigation. A request should discuss the allegation, available information, and the attorney recommendation and rationale for that recommendation. Requests are reviewed by the Antitrust Division's Office of Operations to determine if there is reason to believe a violation has occurred and whether or not an investigation would conflict with ongoing efforts of the Antitrust Division or the Federal Trade Commission. - 19600009

Your constituent has asked that the U.S. attorney from the southern district of Indiana be exempted from these procedures and allowed to act independently of the Antitrust Division. Your constituent has written the Antitrust Division a number of times requesting that such an exemption be allowed. In all instances, the Assistant Attorney General, Antitrust Division, has denied those requests, writing that " \* \* \* a general delegation of enforcement responsibility to United States attorneys in all cases and without review would be particularly unwise \* \* \* ". The Assistant Attorney General is of the opinion that the responsibility for investigating and prosecuting antitrust complaints should continue to be delegated to U.S. attorneys on a case-by-case basis. Your constituent has appealed this decision to the Attorney General.

As stated above, U.S. attorneys wanting to conduct preliminary inquiries must request and receive authority from the Antitrust Division. According to Antitrust Division attorneys, the U.S. attorney from the southern district of Indiana has never formally requested such authority to conduct a preliminary inquiry into allegations of antitrust violations in the motion picture industry.

#### HOW WRITTEN COMPLAINTS ARE REVIEWED

The Antitrust Division's Judgment Enforcement Section handles many of the complaints involving the motion picture industry. We spoke with section attorneys and analyzed complaints received for calendar year 1978 to determine how complaints are handled. Complainants making allegations over the phone are asked to submit their complaints in

writing. Written complaints and any accompanying information are reviewed by an attorney to determine if there is reason to believe a violation of antitrust laws or the Paramount Decrees has occurred. If the complaint is vague in its allegation or if there appears to be some reason to believe a violation has occurred, the complainant will be asked to provide what additional information he may have. If the attorney believes there is nothing to the allegation, the complainant is told so. Response letters, along with the complaints, are reviewed by either the section chief or the assistant section chief.

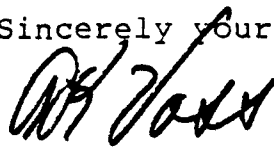
We reviewed the section's complaints file and scheduled complaint allegations and attorney responses for calendar year 1978. We found 39 complaints and the responses to all but 3. A section attorney explained that two of these three were handled by phone. We could not determine if the third was similarly handled because the responsible attorney has left the Department of Justice. The attorney responses we reviewed usually said in effect "upon evaluation of the submission, no sufficient indication of a violation of Federal laws has been found." None of the 39 complaints prompted section attorneys to recommend a preliminary inquiry. We did not attempt to evaluate the appropriateness of these legal determinations.

Among the complaints were two from your constituent, both of which were reviewed by section attorneys and found not to indicate a violation of Federal laws. Letters noting that were sent to your constituent in response to both complaints. Our review disclosed no evidence that complaints are not being responsively handled by the Antitrust Division.

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Antitrust Division officials were given an opportunity to comment on this letter, and they agree with the facts as presented. We plan no further distribution until 30 days from the date of this report unless you publicly announce its contents earlier. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,



Allen R. Voss  
Director