

CT Attorney General

Connecticut Attorney General's Office

Press Release

Attorney General Announces Agreement That Bars Home Heating Dealers From Energy Assistance Boycott

December 3, 2008

Attorney General Richard Blumenthal today announced an agreement with the Independent Connecticut Petroleum Association (ICPA) that bars home heating dealers from colluding to boycott state energy assistance programs.

An investigation by Blumenthal's office revealed that the ICPA -- dissatisfied with the reimbursement rates to home heating dealers -- attempted to instigate a boycott of the Connecticut Energy Assistance (CEAP) for the 2007-08 heating oil season at its annual chapter meetings last year.

As a result of ICPA's conduct, certain heating oil dealers elected not to participate in the CEAP for the 2007-08 season and others delayed signing on in order to pressure the state to raise the rate of reimbursement for fuel oil dealers.

The ICPA denies that it violated state and federal antitrust law but agreed to an Assurance of Voluntary Compliance (AVC) barring its members from conspiring to boycott state assistance programs or raise reimbursement rates.

The ICPA has also agreed to implement an antitrust compliance and training program to ensure that its leadership and members comply with state antitrust and consumer protection laws.

"Today's action protects our most vulnerable citizens -- ensuring warm homes during the brutal winter cold season," Blumenthal said. "The ICPA attempted to conspire and promote an illegal boycott of the Connecticut Energy Assistance Program in order to raise reimbursement rates. This systematic and sinister effort threatened to undermine -- even destroy -- a vital program that saves Connecticut's poorest citizens from freezing in their homes. My office's investigation and intervention helped stop the ICPA's early efforts and spare the program.

"The ICPA, after cooperating throughout my investigation, has rightfully and responsibly agreed to adopt a compliance plan to avoid future anticompetitive practices that may harm the Connecticut Energy Assistance Program. This agreement provides a promise of fairness and integrity among home heating oil dealers who wish to participate in the state's critical energy assistance program."

The ICPA is a nonprofit trade association whose membership includes licensed Connecticut heating oil dealers. The ICPA has about 542 members -- divided among seven regional chapters - - who work within the petroleum industry in the state. It provides legislative and regulatory information to its members and operates a private vocational technical school for heating technicians.

CEAP, administered through the Department of Social Services (DSS), is a heating assistance program designed to provide heating oil to qualified low-income households in Connecticut using government funds.

CEAP is a voluntary program that home heating oil dealers may elect to join. Participating dealers sign up with the DSS each heating season and, once qualified by the DSS, receive authorization from the local Community Action Agencies (CAA) to deliver oil. The vendors are then paid by the CAA with government funds.

Blumenthal thanked those in his office who worked on the investigation -- Assistant Attorneys General Rachel O. Davis and Antonia Conti, under the direction of Assistant Attorney General Michael Cole, Chief of the Attorney General's Antitrust Department.

[View the entire ICPA agreement - \(PDF-882KB\)](#)

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