

William H. Stallings  
Chief, Transportation, Energy and Agriculture Section  
Antitrust Division  
U.S. Department of Justice  
450 Fifth Street, N.W., Suite 8000  
Washington, DC 20530

Mr. Stallings

I am writing you concerning the proposed final judgment in Civil Action No. 12–CV–00395–RPM–MEH, United States v. SG Interests I LTD., et al, dated February 23, 2012. I find this proposed final judgment sorely lacking in realistic consequences to the defendants. The federal register notice states the plaintiff, the United States, requested treble damages. The notice then states, “The payment of damages to the United States reflects the likely additional bid revenue that the BLM would have received had SGI and GEC acted as independent competitors at the February and May 2005 auctions.” I beg to differ.

The Memorandum of Understanding the defendants executed, in what I can only view as a knowing and willful violation of the Sherman Antitrust Act, used a figure of \$300/acre as an upper limit to what they were willing to pay for the BLM leases in the Ragged Mountain Area, bidding against any OTHER bidders in their rigged auction. One may logically assume they were each also willing to bid that much against each other for the same parcels, were they not colluding to eliminate competition. By my math, the 3647 acres leased at \$300/acre would produce revenues of \$1,094,100. Instead, the US government got only \$93,614, a difference of \$1,000,486 or 91%. (!) The ‘fine’ of \$550,000 is about HALF of the potential revenues the government could have received and nowhere near a treble damages amount.

At the very least, I feel the defendants should be stripped of their ill-gotten leases and forced to bid on them in a genuine competitive auction. That the defendants are allowed to keep these four leases after demonstrating such blatant disregard for legal and fair bidding on natural resources that are, by all rights, the property of the people of the United States is a gross miscarriage of justice. Realistically, I would also see somebody face jail time, as in the case of Tim DeChristopher, who disrupted a BLM gas sale in his state of Utah and is behind bars for two years. His violation at least had the rationale of protecting aesthetic resources. This egregious effort by Gunnison Energy Company and SG Interests to defraud the U.S. taxpayer deserves a harsher punishment.

Sincerely,



Bob Shettel  
11 Chair Mountain Drive  
Redstone, CO  
81623