



# Department of Justice

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**FORMER VIRGINIA MARINE PRODUCTS COMPANY EXECUTIVE  
PLEADS GUILTY TO BID RIGGING ON CONTRACTS  
WITH THE U.S. NAVY AND OTHERS**

WASHINGTON — The chief executive officer of a former Virginia marine products company pleaded guilty and has agreed to pay a \$100,000 criminal fine and serve time in jail for his role in a conspiracy to rig bids and allocate customers with respect to marine products purchased by the U.S. Navy, the U.S. Coast Guard, and other public and private entities, the Department of Justice announced today.

According to a one-count felony charge filed on May 26, 2009, in the U.S. District Court in Norfolk, Va., Frank A. March, chief executive officer of a former marine products company located in Clearbrook, Va., participated in a conspiracy between June 2001 and December 2002 to allocate customers and rig bids for contracts of foam-filled marine fenders and buoys. During the course of the conspiracy, the conspirators discussed and agreed to allocate among themselves contracts from the Department of Defense (DOD), the Department of Homeland Security and others. Under the plea agreement, March has agreed to cooperate fully in the Department's ongoing antitrust investigation. The amount of jail time March will serve will be determined by the court.

Foam-filled marine fenders are used as a cushion between ships and fixed structures, such as docks, piers or other ships. Foam-filled buoys are used in a variety of applications, such as channel markers and navigational aids.

"The Department's Antitrust Division is committed to ensuring that both the military and private businesses are able to buy these necessary marine products at the lowest possible price," said Christine A. Varney, Assistant Attorney General in charge of the Department's Antitrust Division. "Those who engage in bid rigging will be held accountable for their actions."

Several other executives have already pleaded guilty to participating in this same conspiracy. In January 2008, Robert Taylor, former president of March's company based in Clearbrook, Va., was sentenced to pay a \$300,000 criminal fine and to serve two years in jail for his role in this conspiracy as well as additional charges. Donald Murray, the company's former chief financial officer, was sentenced in March 2008 to pay a \$75,000 criminal fine and to serve a year and a half in jail for his role in this conspiracy and another charge. A California executive, Gerald Thermos, pleaded guilty to participating in the same conspiracy and was sentenced in March 2008 to pay a criminal fine of \$50,000 and to serve four months in jail.

“Those that try to circumvent the Government contract process should take note of this,” said Sharon Woods, Director of the Defense Criminal Investigative Service (DCIS). “DCIS will aggressively pursue individuals and contractors that engage in bid-rigging and price-fixing schemes with our partners in the Department of Justice.”

The bid-rigging charge, a violation of the Sherman Act, carries a maximum penalty of three years in prison and a \$350,000 fine for individuals for violations occurring before June 22, 2004. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today’s charge is an example of the Department’s commitment to protect U.S. taxpayers from public procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative announced in October 2006 is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs.

The ongoing investigation is being conducted by the Antitrust Division’s National Criminal Enforcement Section, DOD’s Office of Inspector General, DCIS and the U.S. Navy Criminal Investigative Service. Anyone with information concerning bid rigging or other anticompetitive conduct in the marine products industry is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694 or the Arlington, Va., Resident Agency of the DCIS at 703-604-8439.

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