



Department of Justice

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IOWA READY-MIX CONCRETE COMPANY PLEADS GUILTY TO PARTICIPATING IN PRICE-FIXING AND BID-RIGGING CONSPIRACIES

WASHINGTON - An Iowa ready-mix concrete company pleaded guilty to participating in three separate conspiracies to fix prices and/or rig bids for the sales of ready-mix concrete, the Department of Justice announced today.

According to a three-count felony charge filed on May 18, 2011, in U.S. District Court in Sioux City, Iowa, GCC Alliance Concrete Inc., a producer of ready-mix concrete headquartered in Orange City, Iowa, participated in separate conspiracies with three different companies involving agreements to fix prices and/or to rig bids for ready-mix concrete sold to various companies in the northern district of Iowa and elsewhere. The department said that the conspiracies took place during various time periods starting as early as January 2006 to as late as August 2009. Under the terms of the plea agreement, GCC Alliance Concrete has agreed to pay a criminal fine, as determined by the court.

Ready-mix concrete is a product comprised of cement, aggregate (sand and gravel), water and other additives. The concrete generally is produced in a concrete plant and is transported by concrete-mixer trucks to work sites, where it is used in various types of construction projects, including buildings and roads.

According to court documents, GCC Alliance Concrete participated in conspiracies through its former sales manager, Steven VandeBrake, in which he engaged in discussions concerning project bids for sales of ready-mix concrete, submitted rigged bids at collusive and noncompetitive prices to customers in Iowa and elsewhere and accepted payment for sales of ready-mix concrete at predetermined prices. VandeBrake also engaged in discussions and reached agreements regarding the prices on the conspirators' annual price lists for ready-mix concrete sold in Iowa on behalf of GCC Alliance Concrete, the department said.

GCC Alliance Concrete is charged with violating the Sherman Act, which carries a maximum fine of \$100 million for corporations. 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 arose from an ongoing federal antitrust investigation of the ready-mix concrete industry in Iowa and surrounding states. As a result of the investigation, on May 26,

2010, VandeBrake pleaded guilty to participating in the conspiracies and, on Feb. 8, 2011, was sentenced to serve 48 months in prison and to pay a criminal fine of \$829,715. On the same day, Kent Robert Stewart, the president of another Iowa ready-mix concrete company, was sentenced to serve a year and a day in prison and to pay a \$83,427 criminal fine for conspiring with VandeBrake to fix prices and rig bids. Stewart pleaded guilty on May 24, 2010. Chad Van Zee, the president of another Iowa ready-mix concrete company, pleaded guilty on Dec. 6, 2010, to conspiring with VandeBrake to fix prices of ready-mix concrete. Van Zee is scheduled to be sentenced on June 21, 2011.

The investigation is being conducted by the Antitrust Division's Chicago Field Office, the FBI's Sioux City Resident Agency and the Department of Transportation's Office of Inspector General, with the assistance of the U.S. Attorney's Office in Sioux City. Anyone with information concerning bid rigging, price fixing or territorial allocation related to the ready-mix concrete industry in Iowa and its surrounding states should contact the Antitrust Division's Chicago Field Office at 312-353-7530 or visit www.justice.gov/atr/contact/newcase.htm.

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