



Department of Justice

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AT
(202) 514-2007
TTY (866) 544-5309

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

WASHINGTON - An Iowa ready-mix concrete company pleaded guilty today to participating in a price-fixing and bid-rigging conspiracy for the sales of ready-mix concrete, the Department of Justice announced.

According to a one-count felony charge filed on Aug. 15, 2011, in U.S. District Court in Sioux City, Iowa, Great Lakes Concrete Inc., a producer of ready-mix concrete with headquarters in Spencer, Iowa, participated in a conspiracy with another ready-mix concrete company to fix prices and rig bids for ready-mix concrete sold in the northern district of Iowa. The department said the company participated in the conspiracy beginning at least as early as January 2008 and continuing until as late as August 2009.

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, Kent Robert Stewart, the president of Great Lakes Concrete, participated in the conspiracy by engaging in conversations and reaching agreements regarding the conspirators' price lists and project bids for ready-mix concrete sold in the northern district of Iowa. Great Lakes Concrete then accepted payment for those sales at collusive and noncompetitive prices, the department said. On May 24, 2010, Stewart pleaded guilty in U.S. District Court in Sioux City to participating in a conspiracy to fix prices and rig bids of the sale of ready-mix concrete, and, on Feb. 8, 2011, was sentenced to serve a year and a day in prison and to pay a \$83,427.09 criminal fine.

Great Lakes 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 guilty plea arose from an ongoing federal antitrust investigation of the ready-mix concrete industry in Iowa and surrounding states. As a result of the investigation, three

individuals have been convicted and sentenced to serve prison time, and, including Great Lakes Concrete, four ready-mix concrete companies have pleaded guilty and are awaiting sentencing.

The investigation is being conducted by the Antitrust Division's Chicago Field Office, the FBI's Sioux City Resident Agency and the U.S. Department of Transportation's Office of the 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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