



U. S. Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, NOVEMBER 3, 1994

AT
(202) 616-2771
TDD (202) 514-1888

**KANSAS DRYWALL COMPANY CHARGED WITH AIDING MAIL FRAUD
CONSPIRACY AT A KANSAS CITY SHOPPING CENTER RENOVATION**

WASHINGTON, D.C. -- A Wichita, Kansas, construction company was charged today with conspiring to commit mail fraud in connection with the award of a construction contract on the \$33 million renovation of a Kansas City, Missouri, shopping center, the Department of Justice announced.

This is the eighth case the Department has filed in an ongoing antitrust investigation into the Kansas City shopping center bid rigging conspiracy.

The Department's Antitrust Division charged Midwest Drywall Co. Inc. of Wichita, Kansas, with aiding and abetting a conspiracy to commit mail fraud by agreeing to pay money to Bennett Construction Co. Inc., of Kansas City, Missouri, in order to receive the drywall construction contract at the Ward Parkway Shopping Center in Kansas City, Missouri. Bennett Construction pleaded guilty and has been sentenced for its role in the conspiracy. Bennett Construction's owner, Woodrow W. Bennett, is awaiting trial on similar charges.

(MORE)

Ward Parkway, owned primarily by the Kansas Public Employees Retirement System since 1987, was managed by J.W. O'Connor & Co. Inc., a New York real estate investment and management company. In 1989, O'Connor contracted with a joint venture formed by Bennett Construction and BK General Contractors Inc. of Atlanta, Georgia, to seek bids on a number of construction contracts, including the contract to perform drywall work at Ward Parkway. The joint venture also recommended that certain contractors receive those contracts.

Assistant Attorney General Anne K. Bingaman of the Antitrust Division said the charges arose from a federal grand jury investigation in Kansas City, Kansas.

The investigation is being conducted by the Antitrust Division's Chicago Field Office and the Federal Bureau of Investigation in Kansas City, Missouri, with the assistance of the U.S. Attorney's Office in Kansas and the Kansas Bureau of Investigation in Topeka, Kansas.

The maximum penalty for a corporation convicted of aiding and abetting a conspiracy to commit mail fraud is a fine that is the greatest of \$500,000, twice the gross pecuniary gain the corporation derived from the crime, or twice the gross pecuniary loss caused to the victims of the crime.

###