

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA
SAVANNAH DIVISION


UNITED STATES OF AMERICA

v.

ARGOS USA LLC,
f.k.a. ARGOS READY MIX LLC,

Defendant.

INFORMATION NO. 4:21-cr-2
15 U.S.C. § 1

 FILED
John E. Triplett, Acting Clerk
United States District Court
By jbwrell at 1:40 pm, Jan 04, 2021

THE UNITED STATES CHARGES THAT:

COUNT ONE – SHERMAN ACT CONSPIRACY
(15 U.S.C. § 1)

DESCRIPTION OF THE OFFENSE

1. ARGOS USA LLC, f.k.a. Argos Ready Mix LLC, is hereby made a defendant on the charge stated below.
2. The Defendant and its co-conspirators, including Evans Concrete, LLC; Gregory Hall Melton; James Clayton Pedrick; John David Melton; and Timothy Tommy Strickland, a.k.a. “Bo” Strickland, charged elsewhere, as well as Company-1, Company-2, and Individual-A, entered into and engaged in a combination and conspiracy to suppress and eliminate competition by fixing prices, rigging bids, and allocating markets for sales of ready-mix concrete in the Southern District of Georgia and elsewhere, which conspiracy began as early as 2010 and continuing until in or about July 2016, the exact dates being unknown to the United States. The combination and conspiracy engaged in by the Defendant and its co-conspirators was a *per se* unlawful, and thus unreasonable, restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The combination and conspiracy consisted of a continuing agreement, understanding, and concert of action between the Defendant and its co-conspirators, the substantial terms of which were to fix prices, rig bids, and allocate markets for sales of ready-mix concrete in the Southern District of Georgia and elsewhere.

BACKGROUND

4. Ready-mix concrete is a product comprised of ingredients including cement, aggregate (sand and gravel), water, and, at times, other additives. Ready-mix concrete is made on demand and, if necessary, delivered to work sites by concrete mixer trucks. Ready-mix concrete is purchased by do-it-yourself and commercial customers, as well as local, state, and federal governments, for use in various construction projects, including but not limited to sidewalks, driveways, bridges, tunnels, and roads. Once blended at a plant and loaded into a truck, ready-mix concrete will solidify and be considered a loss if it is not poured in a timely manner (typically less than an hour). Due to high transportation costs and its perishable nature, concrete firms have restricted geographic marketing areas, which surround their various individual plants.

DEFENDANT AND CO-CONSPIRATORS

5. Defendant ARGOS USA LLC, hereinafter ARGOS, was a Delaware limited liability company formed in 2011 with its headquarters in Alpharetta, Georgia. Argos Ready Mix LLC, a Delaware limited liability company formed in 2011 with its principal place of business in Alpharetta, Georgia, was merged completely into Defendant ARGOS on July 1, 2016. On October 3, 2011, Defendant ARGOS purchased and acquired cement and ready-mix concrete facilities in the greater Savannah, Georgia, area from another company. During the period covered by this Count, Defendant ARGOS and Argos Ready Mix LLC, prior to its being merged completely into Defendant ARGOS, were engaged in the manufacture and sale of

cement and ready-mix concrete in the Southern District of Georgia and elsewhere.

6. Evans Concrete, LLC, hereinafter Evans Concrete, was a Georgia limited liability company with its headquarters in Claxton, Georgia. During the period covered by this Count, Evans Concrete was engaged in the manufacture and sale of ready-mix concrete in the Southern District of Georgia.

7. Company-1 and Company-2 were companies engaged in the manufacture and sale of ready-mix concrete in the Southern District of Georgia and elsewhere. During the period covered by this Count, Individual-A was an owner of Company-1.

8. During the period covered by this Count, Gregory Hall Melton, hereinafter Greg Melton, was division manager of ready-mix concrete sales for Defendant ARGOS in its Pooler, Georgia, office.

9. During the period covered by this Count, James Clayton Pedrick, hereinafter Pedrick, was a cement salesman for Defendant ARGOS, selling cement to ready-mix concrete suppliers in the Southern District of Georgia and elsewhere.

10. From approximately 2007 and continuing until approximately 2015, John David Melton, hereinafter David Melton, was the general manager for Company-1.

11. During the period covered by this Count, Timothy Tommy Strickland, a.k.a. Bo Strickland, hereinafter Strickland, was, at different times, owner, president, area manager, plant manager, and salesperson for Evans Concrete.

12. Various companies and individuals, including Evans Concrete, Company-1, Company-2, Greg Melton, Pedrick, David Melton, Strickland, and Individual-A, participated as co-conspirators in the offense charged in this Count and performed acts and made statements in furtherance thereof.

13. Whenever in this Count reference is made to any act, deed, or transaction of any company, such allegation shall be deemed to mean that the company engaged in such act, deed, or transaction

by or through its officers, directors, agents, employees, or representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

MANNER AND MEANS OF THE CONSPIRACY

14. For the purpose of forming and carrying out the charged combination and conspiracy, the Defendant and its co-conspirators did those things that they combined and conspired to do, including, among other things:

- A. Used Pedrick as a conduit to exchange price-increase letters and other pricing- and job-related information between Defendant ARGOS and its co-conspirators for the purpose of coordinating price increases, rigging bids, and allocating jobs;
- B. Issued price-increase letters to ready-mix concrete customers, which letters reflected the price increases agreed-upon by Defendant ARGOS and its co-conspirators;
- C. Allocated specific ready-mix concrete jobs, including but not limited to allocation between Defendant ARGOS and Evans Concrete of jobs in the Statesboro, Georgia, area;
- D. Allocated specific ready-mix concrete jobs, including but not limited to allocation between Greg Melton of Defendant ARGOS and David Melton of Company-1 of residential jobs;
- E. Agreed to charge ready-mix concrete customers fuel surcharges and environmental fees;
- F. Submitted quotes and bids to ready-mix concrete customers at collusive and noncompetitive prices;

- G. Obtained the economic benefits of the charged conspiracy by receiving and accepting payments for ready-mix concrete sold through contracts and on projects that were affected by the conspiracy alleged in this Court;
- H. Pressured other concrete suppliers to participate in the conspiracy alleged in this Court and threatened companies that refused to join; and
- I. Concealed the conspiracy and conspiratorial contacts through various means, including by using Pedrick as a conduit to exchange price-increase letters and information among Defendant Argos and its co-conspirators.

TRADE AND COMMERCE

15. During the time period covered by this Court, the Defendant and other co-conspirators, from their offices in Georgia, bid on projects to be performed at locations outside of Georgia, including South Carolina.

16. During the time period covered by this Court, the Defendant and other co-conspirators sold ready-mix concrete from their offices in Georgia to locations outside of Georgia, including South Carolina.

17. During the time period covered by this Court, the Defendant and other co-conspirators purchased substantial quantities of ingredients, supplies, and equipment necessary to the production and distribution of ready-mix concrete, which ingredients, equipment, and supplies were shipped into Georgia from points of origin outside of Georgia.

18. During the time period covered by this Court, the Defendant and other co-conspirators sold ready-mix concrete to the United States military and agencies of the United States Government. The Defendant and other co-conspirators received payments from the United States, which payments were sent from outside of Georgia to the Defendant's and other co-conspirators' offices

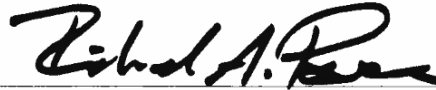
located within Georgia.

19. During the time period covered by this Count, the business activities of the Defendant and other co-conspirators in connection with ready-mix concrete that is the subject of this Count, were within the flow of, and substantially affected, interstate and foreign trade and commerce.

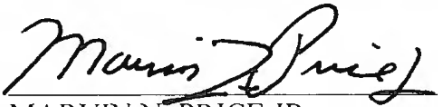
ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.




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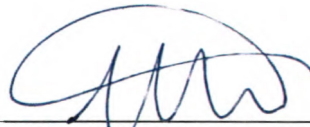


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