

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION

UNITED STATES OF AMERICA)	
)	FILED
)	
v.)	April 27, 2006
)	
)	IP 06-067-CR-02 M/F
SCOTT D. HUGHEY,)	
Defendant.)	

PLEA AGREEMENT

The United States of America and Scott D. Hughey, (“the defendant”) hereby enter into the following Plea Agreement pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure (“Fed. R. Crim. P.”):

RIGHTS OF DEFENDANT

1. The defendant understands his rights:
 - (a) to be represented by an attorney;
 - (b) to be charged by Indictment;
 - (c) to plead not guilty to any criminal charge brought against him;
 - (d) to have a trial by jury, at which he would be presumed not guilty of the charge and the United States would have to prove every essential element of the charged offense beyond a reasonable doubt for him to be found guilty;
 - (e) to confront and cross-examine witnesses against him and to subpoena witnesses in his defense at trial;
 - (f) not to be compelled to incriminate himself;
 - (g) to appeal his conviction, if he is found guilty; and

(h) to appeal the imposition of sentence against him.

**AGREEMENT TO PLEAD GUILTY
AND WAIVE CERTAIN RIGHTS**

2. The defendant knowingly and voluntarily waives the rights set out in Paragraph 1(b)-(g) above. Pursuant to Fed. R. Crim. P. 7(b), the defendant will waive indictment and plead guilty to a one-count Information to be filed in the United States District Court for the Southern District of Indiana, Indianapolis Division. The Information will charge the defendant with participating in a conspiracy to suppress and eliminate competition by fixing the price at which ready mixed concrete was sold in the Indianapolis, Indiana metropolitan area beginning in or about July, 2000 and continuing until May 25, 2004 in violation of the Sherman Act, 15 U.S.C. § 1.

3. The defendant, pursuant to the terms of this Plea Agreement, will plead guilty to the criminal charge described in Paragraph 2 above and will make a factual admission of guilt to the Court in accordance with Fed. R. Crim. P. 11, as set forth in Paragraph 4 below. The United States agrees that it will stipulate to the release of the defendant on his personal recognizance, pursuant to 18 U.S.C. § 3142, pending the sentencing hearing in this case.

FACTUAL BASIS FOR OFFENSE CHARGED

4. Had this case gone to trial, the United States would have presented evidence sufficient to prove the following facts:

(a) For purposes of this Plea Agreement, the “Relevant Period” is that period beginning in or about July 2000, continuing until May 25, 2004. During the Relevant Period, the defendant was the President and a shareholder of Hughey, Inc., d/b/a Carmel Concrete Products (“Carmel”), an entity organized and existing under the laws of Indiana with its principal place of

business in Carmel, Indiana. During the Relevant Period, Carmel was a producer of ready mixed concrete and was engaged in the sale of ready mixed concrete in the Indianapolis, Indiana metropolitan area and elsewhere. Ready mixed concrete is a product whose ingredients include cement, aggregate (sand and gravel), water, and, at times, other additives. Ready mixed concrete is made on demand and, if necessary, is shipped to work sites by concrete mixer trucks. The United States contends that had this case gone to trial, the United States would have presented evidence to prove that the volume of commerce affected by the charged conspiracy attributable to the defendant was at least \$15 million but not more than \$37.5 million. For purposes of this plea and sentencing only, the defendant waives his right to contest this calculation.

(b) During the Relevant Period, the defendant participated in a conspiracy with other persons and entities engaged in the production and sale of ready mixed concrete, the primary purpose of which was to fix the price of ready mixed concrete sold in the Indianapolis, Indiana metropolitan area. In furtherance of the conspiracy, the defendant engaged in conversations and attended meetings with representatives of other ready mixed concrete producers in the Indianapolis, Indiana metropolitan area. During those meetings and conversations, the defendant and his co-conspirators reached agreements to fix the price at which ready mixed concrete was to be sold in the Indianapolis, Indiana metropolitan area.

(c) During the course of the conspiracy, the defendant on at least two occasions met with a representative of a competitor ready mixed concrete producer who had not attended the meetings among the conspirators at which prices, discounts, and conditions of sale for the metropolitan Indianapolis, Indiana area were discussed and agreed upon by the defendant and his coconspirators. His purpose for meeting with the representative of the competitor was to

encourage the competitor to join the conspiracy and abide by the agreements which had been reached at the conspiratorial meetings. The defendant also made numerous telephone calls and participated in several meetings among smaller numbers of individuals to ensure the compliance of his coconspirators with the conspiracy agreements. In addition to the defendant and his company, more than five individuals associated with companies other than the defendant's company participated in the conspiracy on behalf of the companies they owned or by which they were employed.

(d) During the Relevant Period, the corporate conspirators purchased substantial quantities of equipment or supplies from outside Indiana which were necessary to the production and distribution of ready mixed concrete. During the Relevant Period the business activities of the corporate conspirators in connection with the production and sale of ready mixed concrete affected by this conspiracy were within the flow of, or substantially affected, interstate trade and commerce.

(e) Acts in furtherance of this conspiracy, including the conspiratorial meetings and conversations described above, were carried out within the Southern District of Indiana. In addition, sales of ready mixed concrete affected by this conspiracy were made by one or more of the conspirators to customers within the Southern District of Indiana.

POSSIBLE MAXIMUM SENTENCE

5. The defendant understands that the statutory maximum penalty which may be imposed against him upon conviction for a violation of Section One of the Sherman Act completed prior to June 22, 2004 is:

- (a) a term of imprisonment for three (3) years (15 U.S.C. § 1);
- (b) a fine in an amount equal to the greatest of (1) \$350,000, (2) twice the gross pecuniary gain the conspirators derived from the crime, or (3) twice the gross pecuniary loss caused to the victims of the crime by the conspirators (15 U.S.C. § 1; 18 U.S.C. § 3571(b) and (d)); and
- (c) a term of supervised release of one (1) year following any term of imprisonment. If the defendant violates any condition of supervised release, the defendant could be imprisoned for the entire term of supervised release (18 U.S.C. § 3559(a)(5); 18 U.S.C. § 3583(b)(3) and (e)(3); and Section 5D1.2(a)(3) of the United States Sentencing Guidelines (“U.S.S.G.,” “Guidelines,” or “Sentencing Guidelines”)).

6. In addition, the defendant understands that:

- (a) pursuant to U.S.S.G. § 5E1.1, the Court may order him to pay restitution to the victims of the offense; and
- (b) pursuant to 18 U.S.C. § 3013(a)(2)(A), the Court is required to order the defendant to pay a \$100.00 special assessment upon conviction for the charged crime.

SENTENCING GUIDELINES

7. The defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider the Guidelines in effect on May 25, 2004, along with the other factors set forth in 18 U.S.C. § 3553(a), in determining and imposing sentence. The defendant understands and agrees that the Guidelines determinations will be made by the Court by a preponderance of the evidence standard. The defendant understands and agrees that although the Court is not ultimately bound to impose a sentence within the applicable Guidelines range, its sentence must be reasonable based upon consideration of all relevant sentencing factors set forth in 18 U.S.C. § 3553(a). Pursuant to U.S.S.G. § 1B1.8, the United States agrees that self-incriminating information that the defendant provides to the United States pursuant to this Plea Agreement will not be used to increase the volume of affected commerce attributable to the defendant or to determine the defendant's applicable Guidelines range, except to the extent provided in U.S.S.G. § 1B1.8(b).

8. The United States and the defendant agree that under U.S.S.G. § 2R1.1, the defendant's Base Offense Level is 10. Because the defendant does not contest, for purposes of this plea and sentencing, that the volume of commerce attributable to the defendant is over \$15 million but not over \$37.5 million, a five-level increase under U.S.S.G. § 2R1.1(b)(2)(E) is appropriate. As described in Paragraph 4(c), above, the United States and the defendant agree that the defendant was a manager/supervisor in a conspiracy that involved five or more participants, so, under U.S.S.G. § 3B1.1(b), a three-level increase is appropriate. The United States and the defendant agree that the defendant is entitled to a three-level decrease under U.S.S.G. § 3E1.1(b) for Acceptance of Responsibility.

SENTENCING AGREEMENT

9. Pursuant to Fed. R. Crim. P. 11(c)(1)(B), the United States agrees to recommend, as the appropriate disposition of this case, that the Court impose a sentence within the applicable Guidelines range requiring the defendant to: pay to the United States a criminal fine of \$50,000, payable in installments as set forth below, with interest accruing under 18 U.S.C. § 3612(f)(1)-(2); serve a period of incarceration of 24 months; and serve a period of supervised release (the “Recommended Sentence”). The United States will recommend, in the interest of justice pursuant to 18 U.S.C. § 3572(d)(1) and U.S.S.G. § 5E1.2(f) that the fine be paid in the following installments: within 15 days of imposition of sentence – \$8,500 (plus any accrued interest under 18 U.S.C. §3612(f)(1)-(2)); at the one-year anniversary of imposition of the sentence – \$8,300 (plus any accrued interest); at the two-year anniversary of imposition of the sentence – \$8,300 (plus any accrued interest); at the three-year anniversary of imposition of the sentence – \$8,300 (plus any accrued interest); at the four-year anniversary of imposition of the sentence – \$8,300 (plus any accrued interest) and at the five-year anniversary of imposition of the sentence – \$8,300 (plus any accrued interest). The defendant will recommend, as the appropriate disposition of the case, that the Court impose a sentence below the applicable Guidelines range based on 18 U.S.C. § 3553(a). The defendant understands that the United States will oppose the defendant’s recommendation. The defendant agrees to pay to the United States a criminal fine of at least \$30,000. The defendant will recommend, in the interest of justice pursuant to 18 U.S.C. § 3572(d)(1) and U.S.S.G. § 5E1.2(f) that the fine be paid in the following installments: within 15 days of imposition of sentence – \$5,000 (plus any accrued interest under 18 U.S.C. §3612(f)(1)-(2)); at the one-year anniversary of imposition of the sentence – \$5,000 (plus any

accrued interest); at the two-year anniversary of imposition of the sentence – \$5,000 (plus any accrued interest); at the three-year anniversary of imposition of the sentence – \$5,000 (plus any accrued interest); at the four-year anniversary of imposition of the sentence – \$5,000 (plus any accrued interest) and at the five-year anniversary of imposition of the sentence – \$5,000 (plus any accrued interest). In light of civil cases filed, which potentially provide for a recovery of a multiple of actual damages, the United States agrees that it will not seek a restitution order for the offense charged in the Information. The defendant understands that the Court will order him to pay a \$100 special assessment pursuant to 18 U.S.C. § 3013(a)(2)(A) in addition to any fine imposed.

10. Subject to the ongoing, full, and truthful cooperation of the defendant described in Paragraph 12 of this Plea Agreement, and before sentencing in the case, the United States will fully advise the Court and the United States Probation Office of the fact, manner, and extent of the defendant's cooperation and his commitment to prospective cooperation with the United States' investigation and prosecutions, all material facts relating to the defendant's involvement in the charged offense, and all other relevant conduct. To enable the Court to have the benefit of all relevant sentencing information, the United States may request, and the defendant will not oppose, that sentencing be postponed until his cooperation is complete.

11. The United States and the defendant understand that the Court retains complete discretion to accept or reject either party's recommendation provided for in Paragraph 9 of this Plea Agreement. The defendant understands that, as provided in Fed. R. Crim. P. 11(c)(3)(B), if the Court does not impose a sentence consistent with either party's recommendation contained in this Agreement, he nevertheless has no right to withdraw his plea of guilty.

DEFENDANT'S COOPERATION

12. The defendant will cooperate fully and truthfully with the United States in the prosecution of this case, the conduct of the current federal investigation of violations of federal antitrust and related criminal laws involving the manufacture and sale of ready mixed concrete, any other federal investigation resulting therefrom, and any litigation or other proceedings arising or resulting from any such investigation to which the United States is a party ("Federal Proceeding"). The ongoing, full, and truthful cooperation of the defendant shall include, but not be limited to:

(a) producing all non-privileged documents, including claimed personal documents, and other materials, wherever located, in the possession, custody, or control of the defendant, requested by attorneys and agents of the United States;

(b) making himself available for interviews, not at the expense of the United States, upon the request of attorneys and agents of the United States;

(c) responding fully and truthfully to all inquiries of the United States in connection with any Federal Proceeding as defined above, without falsely implicating any person or intentionally withholding any information, subject to the penalties of making false statements (18 U.S.C. § 1001) and obstruction of justice (18 U.S.C. § 1503);

(d) otherwise voluntarily providing the United States with any material or information, not requested in (a) - (c) of this paragraph, that he may have that is related to any Federal Proceeding as defined above; and

(e) when called upon to do so by the United States in connection with any

Federal Proceeding as defined above, testifying in grand jury, trial, and other judicial proceedings, fully, truthfully, and under oath, subject to the penalties of perjury (18 U.S.C. § 1621), making false statements or declarations in grand jury or court proceedings (18 U.S.C. § 1623), contempt (18 U.S.C. §§ 401 - 402), and obstruction of justice (18 U.S.C. § 1503).

GOVERNMENT'S AGREEMENT

13. Subject to the full, truthful, and continuing cooperation of the defendant, as described in Paragraph 12 of this Plea Agreement, and upon the Court's acceptance of the guilty plea called for by this Plea Agreement and the imposition of sentence, the United States will not bring further criminal charges against the defendant for any act or offense committed before the date of this Plea Agreement that was undertaken in furtherance of an antitrust conspiracy involving the manufacture and sale of ready mixed concrete in the Indianapolis, Indiana metropolitan area ("Relevant Offense"). The nonprosecution terms of this paragraph do not apply to civil matters of any kind, to any violation of the federal tax or securities laws, or to any crime of violence.

14. The defendant understands that he may be subject to administrative action by federal or state agencies other than the United States Department of Justice, Antitrust Division, based upon the conviction resulting from this Plea Agreement, and that this Plea Agreement in no way controls whatever action, if any, other agencies may take. However, the United States agrees that, if requested, it will advise the appropriate officials of any governmental agency considering such administrative action of the fact, manner, and extent of the cooperation of the defendant as a matter for that agency to consider before determining what administrative action,

if any, to take.

REPRESENTATION BY COUNSEL

15. The defendant has reviewed all legal and factual aspects of this case with his attorney and is fully satisfied with his attorney's legal representation. The defendant has thoroughly reviewed this Plea Agreement with his attorney and has received satisfactory explanations from his attorney concerning each paragraph of this Plea Agreement and alternatives available to the defendant other than entering into this Plea Agreement. After conferring with his attorney and considering all available alternatives, the defendant has made a knowing and voluntary decision to enter into this Plea Agreement.

VOLUNTARY PLEA

16. The defendant's decision to enter into this Plea Agreement and to tender a plea of guilty is freely and voluntarily made and is not the result of force, threats, assurances, promises, or representations other than the representations contained in this Plea Agreement. The United States has made no promises or representations to the defendant as to whether the Court will accept or reject the recommendations contained within this Plea Agreement.

VIOLATION OF PLEA AGREEMENT

17. The defendant agrees that, should the United States determine in good faith, during the period that any Federal Proceeding is pending, that the defendant has failed to provide full and truthful cooperation, as described in Paragraph 12 of this Plea Agreement, or has otherwise violated any provision of this Plea Agreement, the United States will notify counsel for the defendant in writing by personal or overnight delivery or facsimile transmission and may also notify his counsel by telephone of its intention to void any of its obligations under this Plea Agreement (except its obligations under this paragraph), and, thereafter, the defendant

shall be subject to prosecution for any federal crime of which the United States has knowledge including, but not limited to, the substantive offenses relating to the investigation resulting in this Plea Agreement. The defendant agrees that, in the event that the United States is released from its obligations under this Plea Agreement and brings criminal charges against the defendant for any Relevant Offense, the statute of limitations period for such offense will be tolled for the period between the date of the signing of this Plea Agreement and six (6) months after the date the United States gives notice of its intent to void its obligations under this Plea Agreement.

18. The defendant understands and agrees that in any further prosecution of him resulting from the release of the United States from its obligations under this Plea Agreement based on the defendant's violation of the Plea Agreement, any documents, statements, information, testimony, or evidence provided by him to attorneys or agents of the United States, federal grand juries, or courts, and any leads derived therefrom, may be used against him in any such further prosecution. In addition, the defendant unconditionally waives his right to challenge the use of such evidence in any such further prosecution, notwithstanding the protections of Fed. R. Evid. 410.

ENTIRETY OF AGREEMENT

19. This Plea Agreement constitutes the entire agreement between the United States and the defendant concerning the disposition of the criminal charge in this case. This Plea Agreement cannot be modified except in writing, signed by the United States and the defendant.

20. The undersigned attorneys for the United States have been authorized by the Attorney General of the United States to enter this Plea Agreement on behalf of the United

States.

DATED: April 10, 2006

Respectfully submitted,

BY: /s/
SCOTT D. HUGHEY, Defendant

BY: /s/
FRANK J. VONDRAK

/s/
SCOTT E. SHOCKLEY
Counsel for Scott D. Hughey

/s/
MICHAEL W. BOOMGARDEN

/s/
JONATHAN A. EPSTEIN

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