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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

UNITED STATES OF AMERICA,) No. CRF-03-5325 OWW
)
 Plaintiff,)
)
 v.) VIOLATION: 15 U.S.C. § 1 -
)
) Bid rigging
DUANE MAYNARD,)
)
 Defendant.)
)

INFORMATION

The United States of America, through its attorneys, charges:

DESCRIPTION OF THE OFFENSE

1. DUANE MAYNARD is hereby charged and made a defendant herein.
 2. The E-Rate program is a federal program administered by the Universal Service Administrative Company ("USAC") under direction of the Federal Communications Commission. Telecommunications companies in the United States charge their customers fees that are ultimately disbursed by the USAC for, among other things, subsidies for the purchase of telecommunications services, Internet access, and internal connections for schools. Subject

1 to its regulations, the E-Rate program will pay for up to 90% of
2 a school's expenditures for eligible equipment and services.

3 3. Beginning on or about February 18, 1999 and continuing at
4 least until January 17, 2002, the exact dates being unknown to
5 the United States, the defendant and co-conspirators entered into
6 and engaged in a combination and conspiracy to suppress and
7 restrain competition for an E-Rate-subsidized project to provide,
8 among other things, goods and services related to
9 telecommunications, Internet access, and internal connections at
10 the West Fresno Elementary School District ("the West Fresno
11 Elementary School District E-Rate Project") in Fresno,
12 California, in unreasonable restraint of interstate trade and
13 commerce, in violation of the Sherman Antitrust Act, Title 15,
14 United States Code, Section 1.

DEFENDANT AND CO-CONSPIRATORS

16 4. During the period covered by this Information, DUANE MAYNARD
17 was a citizen of the United States and a resident of the State of
18 California. He held the title of Senior Estimator for his
19 employer and represented his employer on the West Fresno
20 Elementary School District E-Rate Project.

21 5. Various individuals and corporations, not made defendants in
22 this Information, participated as co-conspirators in the offense
23 charged and performed acts and made statements in furtherance of
24 it.

THE CONSPIRACY

26 6. The charged combination and conspiracy consisted of an
27 agreement, understanding, and concert of action among the
28 conspirators, the substantial terms of which were to suppress

1 bidding for the West Fresno Elementary School District E-Rate
2 Project and to allocate among conspirators responsibility for the
3 supply of goods and services for the West Fresno Elementary
4 School District E-Rate Project.

5 7. For the common purpose of forming and carrying out the
6 charged combination and conspiracy, the defendant and co-
7 conspirators together performed the following acts, among others:

- 8 a. agreed in advance that the defendant's employer would
9 be the successful bidder, among the co-conspirators, to
10 have the general responsibility for the West Fresno
11 Elementary School District E-Rate Project;
- 12 b. agreed in advance that no co-conspirator other than the
13 defendant's employer would submit to the West Fresno
14 Elementary School District a bid for the entire West
15 Fresno Elementary School District E-Rate Project;
- 16 c. agreed in advance that certain co-conspirator companies
17 would be the defendant's employer's subcontractors for
18 the West Fresno Elementary School District E-Rate
19 Project;
- 20 d. ensured that any bid competing with that of the
21 defendant's employer would be disqualified as
22 nonresponsive;
- 23 e. provided goods and services to the West Fresno
24 Elementary School District; and

25 //

26 //

27 //

- 28 f. received payments from the USAC for claimed provision

of goods and services to the West Fresno Elementary School District.

TRADE AND COMMERCE

4 8. Equipment provided as part of the West Fresno Elementary
5 School District E-Rate Project was shipped across state lines.
6 The payments from the USAC were sent from banks outside the State
7 of California to a bank inside the State of California. Thus,
8 the West Fresno Elementary School District E-Rate Project was
9 conducted within the flow of, and substantially affected,
10 interstate trade and commerce.

JURISDICTION AND VENUE

12 9. The aforesaid combination and conspiracy was formed and
13 carried out, in part, within the Eastern District of California
14 within the five years preceding the filing of this Information.
15 IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

16 DATED this _____ day of July, 2003.

_____/s/_____
JAMES M. GRIFFIN
Deputy Assistant Attorney
General

_____/s/ _____
MATTHEW D. SEGAL
Trial Attorney

_____/s/_____
SCOTT D. HAMMOND
Director of Criminal
Enforcement

_____/s/ _____
RICHARD B. COHEN
Trial Attorney