

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	
)	Cr. No. 1-98-100035
VALENTEC INTERNATIONAL)	
CORPORATION, LLC,)	15 U.S.C. § 1
)	
Defendant.)	Filed: September 2, 1998
)	Judge: Todd

INFORMATION

THE UNITED STATES OF AMERICA, ACTING THROUGH ITS ATTORNEYS,

CHARGES:

That at all times material to this Information:

I.

DESCRIPTION OF THE OFFENSE

1. **Valentec International Corporation, LLC**, as successor to Valentec International Corporation (“Valentec International”), is hereby made a defendant on the charge stated below.
2. The Milan Army Ammunition Plant is located in Milan, Tennessee and is owned by the United States Army.

3. Martin Marietta Ordnance Systems, Inc. (“Martin Marietta”) was contracted by the United States Army to operate the Milan Army Ammunition Plant to produce various types of ordnance and munitions.

4. Beginning in or about 1988 and continuing up to and including 1992, the exact dates being unknown to the United States, in the Western District of Tennessee and elsewhere, the defendant, through its predecessor corporation, and others entered into and engaged in a combination and conspiracy in unreasonable restraint of interstate trade and commerce, in violation of the Sherman Act, 15 U.S.C. § 1.

5. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among defendant

----- **Valentec International Corporation, LLC** -----

through its predecessor corporation, and its co-conspirators, the substantial terms of which were:

- a. to suppress and eliminate competition by rigging bids submitted to Martin Marietta at the Milan Army Ammunition Plant for the award and performance of subcontracts to supply components needed for the manufacture of ordnance and munitions; and
- b. to submit collusive, noncompetitive, and rigged bids to Martin Marietta for components needed for the manufacture of ordnance and munitions.

6. The conspiracy affected products that defendant’s predecessor corporation sold from the company’s facility located in Galion, Ohio.

7. For the purpose of forming and carrying out the charged combination and conspiracy, defendant's predecessor corporation and its co-conspirators did those things that they combined and conspired to do, including:

- a. discussing among themselves the collusive bidding for the award of contracts by Martin Marietta for components needed for the manufacture of ordnance and munitions;
- b. submitting collusive and rigged bids on contracts awarded by Martin Marietta for components needed for the manufacture of ordnance and munitions;
- c. allocating to defendant's predecessor corporation particular contracts awarded by Martin Marietta for components needed for the manufacture of ordnance and munitions as the result of collusive bidding;
- d. discussing among themselves the submission of intentionally high, complementary bids to Martin Marietta for contracts to provide components needed for the manufacture of ordnance and munitions; and
- e. submitting intentionally high, complementary bids to Martin Marietta for contracts to provide components needed for the manufacture of ordnance and munitions.

II.

DEFENDANT AND CO-CONSPIRATORS

8. **Valentec International Corporation, LLC** is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 3190 Pullman Street, Costa Mesa, California 92626. During the period covered by this Information, Valentec International, a predecessor corporation to **Valentec International Corporation, LLC**, was a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in Costa Mesa, California. During the period covered by this Information, Valentec International was engaged in the sale and distribution of products in the Western District of Tennessee and elsewhere and was a wholly owned subsidiary of Insilco Corporation, a Delaware corporation with its principal place of business in Midland, Texas. In April 1993, RAZ Acquisition Corporation (“RAZ Corp.”) acquired all of the stock of Valentec International, and shortly thereafter, Valentec International was merged into RAZ Corp. By corporate resolution, RAZ Corp. changed its name to Valentec International Corporation. In March 1998, Valentec International Corporation was merged into **Valentec International Corporation, LLC**.

9. Various individuals and corporations, not made defendants in this Information, participated as co-conspirators in the offense charged, and performed acts and made statements in furtherance thereof.

10. Whenever reference is made in this Information to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while

they were actively engaged in the management, direction, control, or transaction of its business or affairs.

III.

TRADE AND COMMERCE

11. During the period covered by this Information, defendant's predecessor corporation and its co-conspirators purchased substantial quantities of raw materials, goods, and supplies in several states to produce ammunition components. Defendant's predecessor corporation and its co-conspirators then caused these raw materials, goods, and supplies to be transported across state lines to facilities located in several states, including Ohio. Defendant's predecessor corporation and its co-conspirators then used these raw materials, goods, and supplies to produce ammunition components that were transported across state lines to the Milan Army Ammunition Plant in Tennessee to fulfill the contracts that are the subject of this Information.

12. The business activities of defendant's predecessor corporation and its co-conspirators which are the subject of this Information were within the flow of, and substantially affected, interstate trade and commerce.

IV.

VENUE

13. The conspiracy charged in this Information was carried out, in part, within the Western District of Tennessee.

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

[nmt \$10,000,000, twice the gross pecuniary gain derived from the crime, or twice the gross pecuniary loss caused to the victims of the crime, with a special assessment of \$400]

DATE: _____

_____/s/_____
JOEL I. KLEIN
Assistant Attorney General

_____/s/_____
NEZIDA S. DAVIS
Acting Chief, Atlanta Field Office

_____/s/_____
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RICHARD E. REED

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_____/s/_____
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