

U.S. DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

2025 JAN 24 P 3:43

CAROL L. ... *meb*

UNITED STATES DISTRICT COURT
THE EASTERN DISTRICT OF LOUISIANA

FELONY

**BILL OF INFORMATION FOR BID RIGGING AND
WIRE FRAUD CONSPIRACIES**

25-00014

UNITED STATES OF AMERICA

*

CRIMINAL NO.

v.

*

SECTION:

SECT. 1 MAG. 1

PATRICK JOSEPH STEWART

*

VIOLATION: 15 U.S.C. § 1
18 U.S.C. § 1349

* * *

The United States Attorney charges:

1. **PATRICK JOSEPH STEWART** as a defendant on the charges stated below.

At the times relevant to this Information:

BACKGROUND

2. **PATRICK JOSEPH STEWART** ("STEWART") was employed as a sales professional by COMPANY-9, engaged in the sale of sports equipment to schools throughout the Southern District of Mississippi and elsewhere. Defendant's co-conspirators also engaged in the sale of sports equipment and engaged in acts in furtherance of the conspiracies in the Eastern District of Louisiana.

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3. STEWART knew that public schools in Mississippi require bids from two separate companies for procurements over \$5,000.00.

4. Schools generally procured sports equipment through the process of requesting and obtaining bids from multiple companies and would typically award a contract for sports equipment to the company that submitted the lowest bid.

BACKGROUND

5. COMPANY-1, a company organized under the laws of Mississippi, with its principal place of business in Mississippi, was a retailer and distributor of sports equipment engaged in selling sports equipment in the Southern District of Mississippi and elsewhere.

6. COMPANY-2, a company organized under the laws of Louisiana, with its principal place of business in Louisiana, was a retailer and distributor of sports equipment engaged in selling sports equipment in the Eastern District of Louisiana and elsewhere.

7. COMPANY-3, a company organized under the laws of Louisiana, with its principal place of business in Louisiana, was a retailer and distributor of sports equipment engaged in selling sports equipment in the Western District of Louisiana.

8. COMPANY-4, a company organized under the laws of Delaware, with its principal place of business in Illinois, was a manufacturer and distributor of sports equipment engaged in selling sports equipment in the Southern District of Mississippi and elsewhere.

9. COMPANY-5, a company organized under the laws of Louisiana, with its principal place of business in Louisiana, was a retailer and distributor of sports equipment. In or around October 2016, another distributor of sports equipment acquired a portion of the assets of COMPANY-5.

10. COMPANY-6, a company organized under the laws of Texas, with its principal place of business in Texas, was a retailer and distributor of sports equipment. In or around April 2018, another distributor of sports equipment acquired COMPANY-6.

11. COMPANY-7, a company organized under the laws of New York, with its principal place of business in New York, was a distributor of sports equipment. In or around June 2022, another distributor of sports equipment acquired a portion of the assets of COMPANY-7.

12. COMPANY-8, a company organized under the laws of Mississippi, with its principal place of business in Mississippi, was a screen printer in the Southern District of Mississippi and elsewhere.

13. COMPANY-9, a company organized under the laws of Louisiana, with its principal place of business in Louisiana, was a distributor of sports equipment engaged in selling sports equipment in the Eastern District of Louisiana and elsewhere.

14. CO-CONSPIRATOR-1 was a manager at COMPANY-1.

15. CO-CONSPIRATOR-2 was the owner and general manager of COMPANY-9.

16. CO-CONSPIRATOR-3 was a sales representative at COMPANY-9.

17. CO-CONSPIRATOR-4 was a sales representative at COMPANY-9.

18. CO-CONSPIRATOR-5 was a sales representative at COMPANY-9.

19. CO-CONSPIRATOR-6 was a sales representative at COMPANY-9.

20. CO-CONSPIRATOR-7 was a sales representative at COMPANY-9.

21. CO-CONSPIRATOR-8 was a sales representative at COMPANY-9.

22. CO-CONSPIRATOR-9 was a sales representative at COMPANY-9.

23. CO-CONSPIRATOR-10 was a sales representative at COMPANY-9.

DESCRIPTION OF THE OFFENSES

COUNT 1 (15 U.S.C. § 1)

24. Paragraphs 1 through 23 are realleged and incorporated by reference as though fully set forth herein.

25. The relevant period for Count 1 is that period from as least as early as July 2021 through at least as late as June 2023 (“Count 1 relevant period”).

26. During the Count 1 relevant period, **STEWART** knowingly entered into and engaged in a conspiracy with COMPANY-1, CO-CONSPIRATOR-1, and other co-conspirators to suppress and eliminate competition by rigging bids to obtain procurements for sports equipment and related services for schools in the Southern District of Mississippi, in violation of the Sherman Antitrust Act, 15 U.S.C. § 1. The conspiracy engaged in by the defendant and co-conspirators was a *per se* unlawful, and thus unreasonable, restraint of interstate trade and commerce in violation of 15 U.S.C. § 1.

27. In furtherance of the conspiracy, **STEWART** and co-conspirators did, among other things, the following:

- a. agreed in advance of the bids which co-conspirator would win the bid;
- b. agreed to provide and submit complementary bids (that is, intentionally higher-priced bids) to schools;
- c. requested and received complementary bids for co-conspirators;
- d. submitted complementary bids to schools on behalf of COMPANY-9;
- e. provided complementary bids to co-conspirators to submit on behalf of COMPANY-1; and
- f. received procurements on behalf of COMPANY-9 for school sports equipment and related services where complementary bids were submitted.

28. The conspiracy to rig bids affected at least \$372,275.26 of sales to COMPANY-9 from at least 48 procurements. **STEWART** received commission payments from his employer, COMPANY-9, based on these sales.

29. During the Count 1 relevant period, the business activities of **STEWART** and his co-conspirators that are the subject of the conspiracy charged in Count 1 were within the flow of, and substantially affected, interstate trade and commerce.

All in violation of Title 15, United States Code, Section 1.

COUNT 2 (18 U.S.C. § 1349)

30. Paragraphs 1 through 23 are realleged and incorporated by reference as though fully set forth herein.

31. The relevant period for Count 2 is that period from as least as early as April 2021 through at least as late as October 2023 (“Count 2 relevant period”).

32. During the Count 2 relevant period, **STEWART** knowingly, and with specific intent to defraud, engaged in a conspiracy with CO-CONSPIRATOR-2, CO-CONSPIRATOR-3, CO-CONSPIRATOR-4, CO-CONSPIRATOR-5, CO-CONSPIRATOR-6, CO-CONSPIRATOR-7, CO-CONSPIRATOR-8, CO-CONSPIRATOR-9, CO-CONSPIRATOR-10, and other co-conspirators to commit wire fraud through a scheme to obtain money from sports procurements awarded to COMPANY-9 by submitting false bids to schools in the Eastern District of Louisiana and elsewhere, in violation of 18 U.S.C. § 1349.

33. In furtherance of the conspiracy, **STEWART** and co-conspirators did, among other things, the following:

- a. agreed to participate in a scheme to submit false bids in order to obtain money from schools for sports equipment and related services;

- b. submitted false bids on bidding forms that appeared to be from COMPANY-2, COMPANY-3, COMPANY-4, COMPANY-5, COMPANY-6, and COMPANY-7, though they were in fact not;
- c. submitted and caused to be submitted at least 338 false bids to schools in connection with requests from schools and recreation departments for bids for school sports equipment;
- d. subverted schools' and recreation department's procurement processes in order to obtain payments for COMPANY-9 by the submission of false, noncompetitive bids; and
- e. used wire communications in interstate commerce to communicate with co- conspirators and submit bids.

34. In addition, the defendant's supervisor, CO-CONSPIRATOR-2, set up a folder of bid forms from competitor companies that were fraudulently obtained or created and encouraged his salespeople, including but not limited to the defendant, to use those fraudulent bid forms to obtain procurements from schools. Employees of COMPANY-9 did widely do so.

35. The submission of false bids was material to school and recreation department officials involved in the procurement process. **STEWART's** and his co-conspirators' material misrepresentations through the submission of the false bids affected at least \$935,826.16 of sales to COMPANY-9. **STEWART** received commission payments from his employer, COMPANY-9, based on his sales.

All in violation of Title 18, United States Code, Section 1349.

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Washington, District of Columbia
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