

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF GEORGIA
VALDOSTA DIVISION**

UNITED STATES OF AMERICA	:	INFORMATION
	:	
v.	:	CRIMINAL NO. <u>7:26-CR- 15</u>
	:	
SCOTT G. SRODES	:	VIOLATIONS:
	:	15 U.S.C. § 1
	:	18 U.S.C. § 371
	:	
	:	

THE UNITED STATES CHARGES:

COUNT ONE
Conspiracy to Restrain Trade
(15 U.S.C. § 1)

DESCRIPTION OF THE OFFENSE

1. The following person is hereby made a Defendant on the charges contained in this Information:

SCOTT G. SRODES

2. Beginning at least as early as in or about June 2022, and continuing until at least as late as in or about April 2023, the exact dates being unknown to the United States, the Defendant and his co-conspirators knowingly entered into and engaged in a conspiracy to suppress and eliminate competition by rigging bids on contracts for maintenance, repair, and operations work for facilities of the United States Air Force, including 23rd Medical Group facilities at Air Force Base Moody ("AFB Moody") and 57th Maintenance Group facilities at Air Force Base Nellis ("AFB Nellis"); the contracts were funded, administered, and approved by the Defense Logistics Agency. The conspiracy engaged in by the defendant and 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).

BACKGROUND

3. The Defense Logistics Agency (“DLA”) was a component agency of the United States Department of Defense.¹ DLA provided supplies and logistical support to the United States military, including through the Facilities Maintenance, Repair, and Operations Tailored Logistics Support Program (the “MRO” program). In order to obtain fair and reasonable pricing from suppliers, DLA conducted procurements in the MRO program through a competitive bidding process, whereby DLA generally required multiple bids from independently competing suppliers prior to approving a contract award. Conducting these competitive procurements in a manner consistent with federal statutes and regulations was a lawful function of DLA.

4. Under the MRO program, DLA contracted with prime vendors to furnish items associated with the maintenance, repair, and operations of the Department of Defense and other federal facilities. For certain purchases through the MRO program, including those that are described in this Information, a military customer would submit a request for a purchase of qualifying supplies or services to the MRO prime vendor for a particular region. The MRO prime vendor was then required to solicit competitive quotations from independently competing firms for the purchase of the requested supplies or services. The MRO prime vendor was required to submit these quotes to

¹ On September 5, 2025, the President issued an executive order that, among other things, authorized a secondary title for the Department of Defense—the Department of War. *See* Exec. Order No. 14347, 90 C.F.R. 43893 (Sept. 5, 2025), *available at* <https://www.federalregister.gov/documents/2025/09/10/2025-17508/restoring-the-united-states-department-of-war>. At all times relevant to this Information, the authorized name was the Department of Defense.

DLA for DLA's review and approval of all orders under the MRO program, or to submit documentation explaining why competitive quotations could not be obtained for a particular order.

5. PRIME CONTRACTOR 1 was a company headquartered in Rockford, Illinois. DLA contracted PRIME CONTRACTOR 1 as a prime vendor in the MRO program to furnish facilities maintenance, repair, and operations supplies in support of Department of Defense customers in certain regions of the United States, which included U.S. Air Force Base Moody ("AFB Moody") in Valdosta, Georgia.

6. CONTRACTOR 1 was an employee of PRIME CONTRACTOR 1. CONTRACTOR 1 worked as the Accounts Lead for Southeast Region Zone 1, which included AFB Moody.

7. PRIME CONTRACTOR 2 was a company headquartered in Reston, Virginia.² DLA contracted PRIME CONTRACTOR 2 as a prime vendor in the MRO program to furnish facilities maintenance, repair, and operations supplies in support of Department of Defense customers in certain regions of the United States, which included Air Force Base Nellis ("AFB Nellis") near Las Vegas, Nevada.

8. COMPANY A was a corporation organized and existing under the laws of Texas. COMPANY A was an independent distributor for various shelving and storage equipment manufacturers. COMPANY A was engaged in the sale and installation of shelving and storage equipment to component agencies of the Department of Defense. One manner by which COMPANY A sold these goods and services was through DLA's MRO program.

² In or about May 2023, PRIME CONTRACTOR 2 sold a portion of its business, including its contracts with DLA, to another company headquartered in Reston, Virginia. This Information refers to both the original company and its successor-in-interest as PRIME CONTRACTOR 2.

9. EMPLOYEE A was the Director of Federal Government – Military Sales for COMPANY A. EMPLOYEE A was involved in the sale of goods and services by COMPANY A to Department of Defense customers.

10. COMPANY B was an independent distributor for various shelving and storage equipment manufacturers, located in Salt Lake City, Utah. COMPANY B also had an office in Las Vegas, Nevada. COMPANY B was engaged in the sale and installation of shelving and storage equipment to, among others, component agencies of the Department of Defense. Defendant was an employee of COMPANY B at its office in Las Vegas and was involved in the sale of goods and services by COMPANY B to Department of Defense customers.

11. COMPANY C was a corporation organized and existing under the laws of Wisconsin, with headquarters in New Mexico. COMPANY C was a distributor of shelving and storage equipment manufactured by its parent company and other companies. COMPANY C was engaged in the sale and installation of shelving and storage equipment to, among others, component agencies of the Department of Defense.

12. EMPLOYEE C was a Sales Manager for COMPANY C. In that capacity, EMPLOYEE C was involved in the sale of goods and services by COMPANY C to Department of Defense customers.

13. During the period covered by this Information, Defendant, on behalf of COMPANY B, and EMPLOYEE A, on behalf of COMPANY A, submitted rigged bids for at least four MRO projects at AFB Moody. The four projects, which serviced healthcare facilities of the U.S. Air Force's 23rd Medical Group at AFB Moody, were as follows: (1) the Medical Logistics Warehouse Project; (2) the Pharmacy Modernization and Renovation Project; (3) the Veterinary Clinic Project; and (4) the Dental Lab Clinic Project.

14. During the period covered by this Information, Defendant, on behalf of COMPANY B, EMPLOYEE A, on behalf of COMPANY A, and EMPLOYEE C, on behalf of COMPANY C, submitted rigged bids for at least one MRO project at AFB Nellis. The project was for pallet racks and portable bulk storage sleds for the U.S. Air Force's 57th Maintenance Group at AFB Nellis in Nevada.

15. Other corporations and individuals, not made defendants in this Information, participated as co-conspirators in the offenses charged herein and performed acts and made statements in furtherance thereof.

MEANS AND METHODS OF THE CONSPIRACY

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

- a. Communicated with each other by email, phone, and text message regarding bids and bid prices for MRO projects at AFB Moody and AFB Nellis;
- b. Agreed in their communications to rig bids on MRO projects at AFB Moody and AFB Nellis;
- c. Submitted, and caused to be submitted, collusive bids to PRIME CONTRACTOR 1 and PRIME CONTRACTOR 2 for submission to DLA; and,
- d. Concealed the bid rigging from DLA, including by concealing that the pricing in COMPANY B's bids had been prepared by a competitor, namely EMPLOYEE A of COMPANY A.

TRADE AND COMMERCE

17. The activities of the defendant and his co-conspirators described in the Information were within the flow of, and substantially affected, interstate and foreign trade and commerce. For example:

- a. Defendant conducted business for COMPANY B in Nevada and Utah; EMPLOYEE A conducted business for COMPANY A in Texas; EMPLOYEE C conducted business for COMPANY C which was headquartered in New Mexico;
- b. Defendant and EMPLOYEE A submitted quotes to PRIME CONTRACTOR 1, which was headquartered in Illinois, for projects at AFB Moody, which was located in Georgia;
- c. Defendant, EMPLOYEE A and EMPLOYEE C submitted quotes to PRIME CONTRACTOR 2 which was headquartered in Virginia, for projects at AFB Nellis, which was located in Nevada;
- d. The collusive quotes incorporated materials manufactured in other states and countries, including materials manufactured in Canada;
- e. DLA officials administering the contract were located in Pennsylvania; and,
- f. DLA transmitted payments related to the projects described in this Information to PRIME CONTRACTOR 1 in Illinois and PRIME CONTRACTOR 2 in Virginia.

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

COUNT TWO
Conspiracy to Defraud the United States
(18 U.S.C. § 371)

18. The allegations contained in paragraphs 1 through 17 are realleged and incorporated by reference as if set forth fully herein.

DESCRIPTION OF THE OFFENSE

19. Beginning at least as early as in or about June 2022, and continuing until at least as late as in or about April 2023, the exact dates being unknown to the United States, in the Middle District of Georgia and elsewhere, the Defendant,

SCOTT G. SRODES

together with his co-conspirators, did knowingly and willfully combine, conspire, confederate, and agree to defraud the United States and an agency thereof, to wit, the Defense Logistics Agency, to interfere, impair, obstruct, and defeat, by deceit, craft, and trickery, the lawful function of the Department of Defense's purchase of items and services through a competitive bidding process, in violation of Title 18, United States Code, Section 371.

PURPOSE, MANNER, AND MEANS OF THE CONSPIRACY

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

- a. Agreed to rig bids in contravention of DLA's lawful government function of securing competitive procurements;
- b. Prepared and submitted collusive quotes to PRIME CONTRACTOR 1 and PRIME CONTRACTOR 2, knowing that DLA would rely on the collusive quotes in conducting its competitive procurement function; and

- c. Made false representations in COMPANY B's quotes about the relationship between COMPANY A and COMPANY B to obscure their relationship and conceal the scheme from DLA.

OVERT ACTS

21. In furtherance of the conspiracy and to achieve its objects, Defendant and his co-conspirators, together with others known and unknown to the United States, committed or caused to be committed the following overt acts, among others, in the Middle District of Georgia and elsewhere:

AFB Moody Projects

- a. On or about August 17, 2022, EMPLOYEE A provided information about Defendant and COMPANY B to CONTRACTOR 1, an employee of PRIME CONTRACTOR 1, advising CONTRACTOR 1 that Defendant could provide quotes on projects at AFB Moody in addition to the quotes submitted by COMPANY A.
- b. On or about August 24, 2022, Defendant sent an email to EMPLOYEE A attaching a blank quote sheet for the Medical Logistics Warehouse Project, a quote sheet which Defendant had received from CONTRACTOR 1. In response, EMPLOYEE A sent an email to Defendant attaching the quote sheet for the Medical Logistics Warehouse Project, which EMPLOYEE A had filled in with a price of \$379,147.00, and a corresponding quote on COMPANY B's letterhead, stating: "[t]ake a look at these two and let me know what you think. You can finish the word doc ending and maybe re-do the PDF RFQ with the info I populated."
- c. On or about August 30, 2022, Defendant sent an email to EMPLOYEE A attaching a blank quote sheet for the Pharmacy Modernization and Renovation Project, a quote

sheet which Defendant had received from CONTRACTOR 1. In response, on or about August 31, 2022, EMPLOYEE A sent an email to Defendant attaching the quote sheet for the Pharmacy Modernization and Renovation Project, which EMPLOYEE A had filled in with a price of \$703,854.00, and stating: "if you could fill in your PDF hand written or however you do it. These should be your sell price numbers."

- d. On or about September 12, 2022, Defendant sent an email to EMPLOYEE A, attaching blank quote sheets for the Vet Clinic Project and the Dental Clinic Lab Project which Defendant received from CONTRACTOR 1. In response, on or about September 12, 2022, EMPLOYEE A sent an email to Defendant attaching the quote sheet for the Vet Clinic Project, which EMPLOYEE A had filled in with a price of \$257,583.00, and stating: "Scott here is everything you need for the Vet Clinic."
- e. On or about that same day, EMPLOYEE A sent a separate email to Defendant containing a link to a Word document referencing the request for quote sent by PRIME CONTRACTOR 1 to COMPANY B for the Dental Clinic Lab Project.
- f. Thereafter, pursuant to the agreement between Defendant and his co-conspirators, Defendant submitted or caused to be submitted to PRIME CONTRACTOR 1 the following collusive quotes on behalf of COMPANY B, which contained prices that had been set by EMPLOYEE A, who had also submitted quotes for the same projects, and some of which falsely represented that COMPANY B was an "authorized distributor" for COMPANY A:
 - i. On or about August 26, 2022: \$379,147.00 for shelving, storage racks, and workbenches in the Medical Logistics Warehouse Project;

- ii. On or about September 8, 2022: \$703,854.00 for shelving, storage racks, and workbenches in the Pharmacy Renovation and Modernization Project;
 - iii. On or about September 13, 2022: \$264,998.00 for dental work benches and storage cabinets in the Dental Clinic Lab Project; and,
 - iv. On or about September 13, 2022: \$257,583.00 for shelving, storage racks and workbenches in the Veterinary Clinic Project.
- g. The collusive quotes submitted by Defendant's company (COMPANY B) induced DLA to approve funding for the projects and to transmit approximately \$1.6 Million to PRIME CONTRACTOR 1, which in turn paid a total of approximately \$1.4 Million to COMPANY A.

AFB Nellis Project

- h. On or about April 11, 2023, Defendant sent a text message to EMPLOYEE C at COMPANY C regarding a project for pallet racks and portable storage sleds at AFB Nellis. Defendant provided EMPLOYEE C with the price that Defendant had quoted to PRIME CONTRACTOR 2 for the project on behalf of COMPANY B. Defendant and EMPLOYEE C understood and agreed that EMPLOYEE C would submit a quote on behalf of COMPANY C to PRIME CONTRACTOR 2 at a higher price than Defendant had quoted.
- i. On or about April 17, 2023, Defendant sent an email to EMPLOYEE A at COMPANY A regarding the same project at AFB Nellis. Defendant provided EMPLOYEE A with the price that Defendant had quoted to PRIME CONTRACTOR 2 for the project on behalf of COMPANY B. Defendant and EMPLOYEE A understood

and agreed that EMPLOYEE A would submit a quote on behalf of COMPANY A to PRIME CONTRACTOR 2 at a higher price than Defendant had quoted.

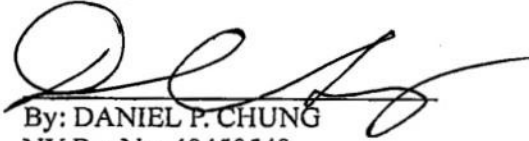
j. Thereafter, pursuant to the agreement between Defendant and his co-conspirators, Defendant submitted or caused to be submitted to PRIME CONTRACTOR 2 the following collusive quotes, which were subject to the above-described agreements between Defendant and his co-conspirators:

- i. Defendant submitted a bid for COMPANY B in the amount of \$205,820.00, dated April 11, 2023;
- ii. EMPLOYEE A submitted a bid for COMPANY A in the amount of \$223,052.00, dated April 17, 2023; and
- iii. EMPLOYEE C submitted a bid for COMPANY C in the amount of \$214,163.00, dated April 13, 2023.

k. The collusive quotes submitted by Defendant's company (COMPANY B), COMPANY A, and COMPANY C, all induced (i) DLA to approve funding for the project on July 11, 2023; (ii) DLA to transmit payment to PRIME CONTRACTOR 2; and (iii) PRIME CONTRACTOR 2 to, in turn, pay a total of approximately \$205,820 to COMPANY B.

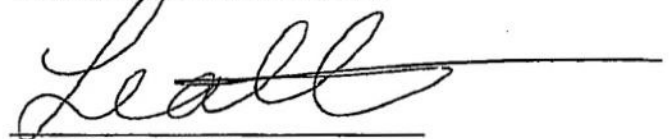
All in violation of Title 18, United States Code, Section 371.

OMEED ASSEFI
ACTING ASSISTANT ATTORNEY GENERAL
U.S. Department of Justice, Antitrust Division



By: DANIEL P. CHUNG
NY Bar No. 40450540
CHRISTIAN C. NEUMEISTER
DC Bar No. 90036953
Trial Attorneys
U.S. Department of Justice, Antitrust Division
Washington Criminal Section
450 5th Street, N.W.
Washington, DC 20530
Tel: (202) 615-5644
Daniel.P.Chung@usdoj.gov
Christian.Neumeister@usdoj.gov

WILLIAM R. KEYES
UNITED STATES ATTORNEY



By: LEAH McEWEN
GA Bar No. 490763
Assistant United States Attorney
United States Attorney's Office for
the Middle District of Georgia
300 Mulberry Street, Suite 400
P.O. Box 1702
Macon, GA 31202
Tel: (478) 621-2649
Leah.E.McEwen@usdoj.gov