



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, JUNE 20, 2011
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IOWA READY-MIX CONCRETE COMPANY PLEADS GUILTY TO PARTICIPATING IN PRICE-FIXING CONSPIRACY

WASHINGTON - An Iowa ready-mix concrete company pleaded guilty to participating in a price-fixing conspiracy for the sales of ready-mix concrete, the Department of Justice announced today.

According to a one-count felony charge filed on June 10, 2011, in U.S. District Court in Sioux City, Iowa, Tri-State Ready Mix Inc., a producer of ready-mix concrete headquartered in Rock Valley, Iowa, participated in a conspiracy with GCC Alliance Concrete Inc. and its predecessor entity to fix prices for ready-mix concrete sold in the northern district of Iowa. The department said that the conspiracy took place beginning at least as early as January 2006 and continuing until as late as August 2009.

Ready-mix concrete is a product comprised of cement, aggregate (sand and gravel), water and other additives. The concrete generally is produced in a concrete plant and is transported by concrete-mixer trucks to work sites, where it is used in various types of construction projects, including buildings and roads.

According to court documents, Tri-State Ready Mix participated in the conspiracy through its president, Chad Van Zee, who engaged in discussions and reached agreements with Steven VandeBrake of GCC Alliance Concrete and its predecessor entity regarding the conspirators' prices for ready-mix concrete sold in Iowa. Tri-State Ready Mix then accepted payment for those sales at collusive and noncompetitive prices, the department said.

Tri-State Ready Mix is charged with violating the Sherman Act, which carries a maximum fine of \$100 million for corporations. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's plea arose from an ongoing federal antitrust investigation of the ready-mix concrete industry in Iowa and surrounding states. As a result of the investigation, on May 20, 2011, GCC Alliance Concrete Inc., another ready-mix concrete producer, pleaded guilty to participating in three separate conspiracies to fix prices and/or rig bids for the sales of ready-mix concrete. On May 26, 2010, VandeBrake, former sales manager of GCC Alliance Concrete, pleaded guilty to participating in the conspiracies and, on Feb. 8, 2011, was sentenced to serve 48 months in prison and to pay a criminal fine of \$829,715. On the same day, Kent Robert

Stewart, the president of another Iowa ready-mix concrete company, was sentenced to serve a year and a day in prison and to pay a \$83,427 criminal fine for conspiring with VandeBrake to fix prices and rig bids. Stewart pleaded guilty on May 24, 2010. Van Zee pleaded guilty to conspiring with VandeBrake to fix prices of ready-mix concrete on Dec. 6, 2010, and is scheduled to be sentenced tomorrow.

The investigation is being conducted by the Antitrust Division's Chicago Field Office, the FBI's Sioux City Resident Agency and the Department of Transportation's Office of Inspector General, with the assistance of the U.S. Attorney's Office in Sioux City. Anyone with information concerning bid rigging, price fixing or territorial allocation related to the ready-mix concrete industry in Iowa and its surrounding states should contact the Antitrust Division's Chicago Field Office at 312-353-7530 or visit www.justice.gov/atr/contact/newcase.htm.

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