



Department of Justice

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**INDIANAPOLIS READY MIXED CONCRETE PRODUCER AND
THREE EXECUTIVES INDICTED ON PRICE-FIXING CHARGE**

Executives also Charged with Making False Statements to Investigators

WASHINGTON, D.C.— An Indianapolis federal grand jury today indicted an Indianapolis ready mixed concrete producer and three executives for participating in a conspiracy to fix the price at which ready mixed concrete was sold in the Indianapolis metropolitan area, the Department of Justice announced.

According to the indictment filed today in United States District Court in Indianapolis, MA-RI-AL Corp., which does business as Beaver Materials Corp., and two of its executives, Operations Manager Chris Beaver and Commercial Sales Manager Ricky Beaver, as well as a third executive, John J. Blatzheim, Executive Vice President of Builder's Concrete and Supply Co. Inc., conspired with each other and executives of other ready mixed concrete companies to eliminate competition in the market for ready mixed concrete sold in the Indianapolis metropolitan area. The alleged price-fixing conspiracy took place beginning at least as early as July 2000, and continued until May 25, 2004. Chris A. Beaver, Ricky J. Beaver and John J. Blatzheim were also indicted on charges that they knowingly made false statements to federal law enforcement officials during the investigation.

Including today's charges, three companies and eight individuals have been charged and fines totaling more than \$30 million have resulted from the Department's ongoing investigation of the ready mixed concrete industry.

“This conspiracy deprived consumers of the benefits of a free and competitive marketplace,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department’s Antitrust Division. “The Department will aggressively pursue those engaged in collusive conduct as well as those who knowingly mislead or lie to law enforcement.”

Ready mixed concrete is a product comprised of cement, aggregate (sand and gravel), water and, at times, other additives. Ready mixed concrete is made on demand and, if necessary, is shipped to work sites by concrete mixer trucks. It is purchased by do-it-yourself customers and commercial customers, as well as local, state and federal governments for use in various construction projects, including sidewalks, driveways, bridges, tunnels and roads.

The indictment charges that Chris Beaver, Ricky Beaver and John Blatzheim attended and participated in meetings among competing ready mixed concrete producers during which agreements were reached regarding the price at which ready mixed concrete would be sold and the discounts that would be offered on ready mixed concrete sold in the Indianapolis metropolitan area. The indictment further charges that, as a result of those agreements, ready mixed concrete was sold by those companies involved in the conspiracy at collusive and noncompetitive prices.

The defendants are charged with carrying out the conspiracy with their co-conspirators by:

- Attending and participating in meetings among competing ready mixed concrete producers to discuss the prices at which ready mixed concrete was sold in the Indianapolis metropolitan market. These meetings were held at various locations, including, but not limited to, a horse barn owned by a co-conspirator, Gus B. Nuckols III a.k.a. Butch Nuckols, president of Builder’s Concrete and Supply Co., Inc.;
- Agreeing during those meetings and discussions to increase prices of ready mixed concrete to be sold in the Indianapolis metropolitan market;

- Agreeing during those meetings and discussions to limit or eliminate discounts and implement surcharges applied to ready mixed concrete sold in the Indianapolis metropolitan market;
- Issuing price announcements and prices quotations in accordance with the agreements reached;
- Selling ready mixed concrete under those agreements at collusive and noncompetitive prices;
- Accepting payment for ready mixed concrete sold at the agreed upon collusive and noncompetitive prices;
- Contacting co-conspirators to discuss the price of ready mixed concrete sold by co-conspirators for the purpose of monitoring and enforcing adherence to the price agreements; and
- Attempting to conceal the conspiracy and conspiratorial contacts through various means.

Each of the executives is charged with price fixing in violation of the Sherman Act, which for violations occurring before June 22, 2004, carries a maximum penalty of three years imprisonment and a fine of \$350,000 for individuals and a maximum fine of \$10 million for companies. The maximum fines 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.

Chris Beaver, Ricky Beaver, and John Blatzheim are also charged with knowingly and willfully making materially false statements, which carries a maximum penalty for individuals of five years imprisonment and a fine of \$250,000.

Today's charges result from the Antitrust Division's investigation of the ready mixed concrete industry being conducted by its Chicago Field Office in conjunction with the

Indianapolis office of the Federal Bureau of Investigation and the United States Attorney's Office for the Southern District of Indiana. MA-RI-AL Corp. is the third ready mixed concrete producer to be charged with participating in the Indianapolis metropolitan area price-fixing conspiracy. In June 2005, Irving Materials Inc. pleaded guilty and was sentenced to pay a \$29.2 million fine and in March 2006, Builder's Concrete & Supply Co. Inc. pleaded guilty, but has yet to be sentenced. Four executives from Irving Materials Inc. and one executive from Builder's Concrete & Supply Co., Inc. have pleaded guilty for their roles in the price-fixing conspiracy.

The Antitrust Division's investigation in this matter is ongoing. Anyone with information concerning price fixing or other anticompetitive conduct in the ready mixed concrete industry should contact the Chicago Field Office of the Antitrust Division at 312-353-7530 or the Indianapolis office of the FBI at 317-639-3301.

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