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**Department of Justice**

Office of Public Affairs

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## **Ready-Mix Concrete Company Admits to Fixing Prices and Rigging Bids in Violation of Antitrust Laws**

Argos USA LLC, a producer and seller of ready-mix concrete headquartered in Alpharetta, Georgia, was charged with participating in a conspiracy to fix prices, rig bids, and allocate markets for sales of ready-mix concrete in the Southern District of Georgia and elsewhere, the Department of Justice announced today.

According to the one-count felony charge filed today in the U.S. District Court in Savannah, employees of Argos and other ready-mix concrete companies carried out the charged conspiracy by coordinating the issuance of price-increase letters to customers, allocating specific ready-mix concrete jobs in the coastal Georgia area, charging fuel surcharges and environmental fees, and submitting bids to customers at collusive and noncompetitive prices. The charged conspiracy began as early as 2010 and continued until about July 2016.

The Antitrust Division also announced a deferred prosecution agreement (DPA) resolving the charge against Argos, under which the company agreed to pay a \$20 million criminal penalty, admitted to participating in the charged conspiracy, and agreed to cooperate fully with the Antitrust Division's ongoing criminal investigation and prosecution of others involved in this conspiracy. Under the DPA, Argos has also agreed to maintain a compliance and ethics program designed to prevent and detect antitrust violations and that meets certain elements specified in the DPA, and to conduct periodic reviews and submit annual reports to the division regarding the remediation and implementation of its compliance program. As part of the agreement, the parties will file a joint motion, which is subject to approval by the court, to defer for the term of the DPA any prosecution and trial of the charge filed against Argos.

"This resolution reflects the division's dedication to holding accountable those who cheat American consumers out of competitively priced critical commercial products," said Assistant Attorney General Makan Delrahim of the Department of Justice's Antitrust Division. "Price fixing, market allocation, and bid rigging are not only unethical, but illegal. The division, along with its law enforcement partners, remains focused on prosecuting those responsible for this type of conduct."

"There is no room in the Southern District of Georgia for companies attempting to inflate their profits by illegally colluding with would-be competitors at the expense of consumers," said U.S. Attorney Bobby L. Christine for the Southern District of Georgia. "This agreement cements our dedication to eliminating such anti-competitive practices."

"Activities related to collusion, bid rigging, and market allocation do not promote an environment conducive to open competition, which harms the consumer," said Director Steven Stuller of the U.S. Postal Service Office of Inspector General. "The U.S. Postal Service spends hundreds of millions of dollars on new construction, maintenance, and renovation of U.S. Postal Service facilities. Along with the Department of Justice and our federal law enforcement partners, the USPS Office of Inspector General will aggressively investigate those who would engage in this type of harmful conduct."

"This announcement is yet another example of the FBI and our partners' dedication to ensure a fair market for consumers," said Assistant Director in Charge Steven M. D'Antuono of the FBI Washington Field Office. "The U.S. system of open and free markets for all consumers is built on trust and integrity. When a company such as Argos admits to a conspiracy to rig bids and fix prices at the expense of consumers, the integrity of the system is compromised. The FBI will doggedly pursue and investigate all allegations of corruption, by individuals and companies, that hinder consumers' rights."

Ready-mix concrete is a product comprised of ingredients including cement, aggregate (sand and gravel), water, and, at times, other additives. It is made on demand and, if necessary, delivered to work sites by concrete mixer trucks. Ready-mix concrete is purchased by do-it-yourself and commercial customers, as well as local, state, and federal governments, for use in various construction projects, including, but not limited to, sidewalks, driveways, bridges, tunnels, and roads.

Argos is the second company charged in this matter. An indictment was returned in September 2020 in the U.S. District Court in Savannah charging Evans Concrete LLC; John David Melton; Timothy Tommy Strickland; and former Argos employees James Clayton Pedrick and Gregory Hall Melton with participating in the same conspiracy. Pedrick was also charged with making false statements, and Strickland was charged with making false statements and perjury. Evans Concrete and the individuals are all awaiting trial.

In the DPA, Argos admitted to participating in the charged conspiracy from October 2011, when it acquired the assets of a ready-mix concrete supplier in the Southern District of Georgia and began employing Gregory Melton and James Pedrick, until July 2016. Gregory Melton was the division manager of ready-mix concrete sales for Argos' local sales office in Pooler, Georgia. Pedrick was a cement salesperson, selling cement to ready-mix concrete suppliers.

Argos is charged with a violation of the Sherman Act, which carries a maximum penalty of a \$100 million fine for corporations. The fine may be increased to twice the gain derived from the crime or twice the loss suffered by victims if either amount is greater than the statutory maximum.

The charge is the result of an ongoing investigation conducted by the Antitrust Division, the U.S. Postal Service Office of Inspector General, and the FBI's Washington Field Office, with the assistance of the U.S. Attorney's Office for the Southern District of Georgia and the U.S. Department of Transportation Office of Inspector General. Anyone with information on market allocation, price fixing, bid rigging, or other anticompetitive conduct in the ready-mix concrete industry should contact the Antitrust Division's Citizen Complaint Center at 1-888-647-3258 or visit [www.justice.gov/atr/contact/newcase.html](http://www.justice.gov/atr/contact/newcase.html).

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**Attachment(s):**[Download Argos DPA.pdf](#)[Download Argos Information.pdf](#)**Topic(s):**

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