



Department of Justice

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**INDIANA READY MIXED CONCRETE PRODUCER AND
PRESIDENT AGREE TO PLEAD GUILTY TO PRICE-FIXING CHARGE**

WASHINGTON — An Indiana ready mixed concrete producer and its president have agreed to plead guilty and pay criminal fines for fixing the price of ready mixed concrete in the Indianapolis metropolitan area, the Department of Justice announced today.

In a felony case filed in the United States District Court in Indianapolis, Hughey Inc., which does business as Carmel Concrete Products (Carmel), and its president, Scott D. Hughey, were charged with conspiring with their competitors to fix the price at which ready mixed concrete was sold in the Indianapolis metropolitan area from approximately July 2000 until May 2004.

Under the plea agreement, which must be approved by the court, Carmel and the Justice Department have agreed to allow the court to determine an appropriate fine for the company. Hughey's plea agreement, which is also subject to court approval, requires him to pay a fine of \$30,000 to \$50,000 and to serve a term of imprisonment to be determined by the court. In addition, Hughey has agreed to assist the government in its ongoing investigation.

Including today's charge, four companies and nine executives have pleaded guilty or were charged for their roles in the price-fixing conspiracy. Fines totaling more than \$30 million have resulted from the Department of Justice's ongoing antitrust investigation of the ready mixed concrete industry.

“Price-fixing conspiracies, such as the one that dominated the Indianapolis ready mixed concrete market for nearly four years, harm our free market system,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department’s Antitrust Division. “This type of conduct deprives consumers of their right to competitive pricing.”

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.

According to the plea agreement, Hughey engaged in conversations and attended meetings with representatives of competing ready mixed concrete producers in the Indianapolis metropolitan area during which he and his co-conspirators reached agreements to fix the price at which ready mixed concrete was to be sold. On at least two occasions, Hughey met with a representative of a competing ready mixed concrete producer who had not attended the price-fixing meetings in order to encourage the competitor to join the conspiracy and abide by the agreements that had been reached at the conspiratorial meetings. Hughey also made numerous telephone calls and participated in several meetings among smaller numbers of individuals to ensure compliance with the conspiratorial agreements, the Justice Department said.

Carmel and Hughey are charged with carrying out the conspiracy with their co-conspirators by:

- Engaging in discussions regarding the prices at which each would sell ready mixed concrete;
- Agreeing during those discussions to specific price increases for ready mixed concrete and to the timing of those price increases;

- Issuing price announcements and/or price 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; and
- Authorizing or consenting to the participation of subordinate employees in the conspiracy.

Today's charge resulted from the Antitrust Division's ongoing 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 (FBI) and the United States Attorney's Office for the Southern District of Indiana.

On April 11, 2006, a federal grand jury returned indictments charging MA-RI-AL Corporation, which does business as Beaver Materials Corp., Chris A. Beaver, Ricky J. Beaver and John J. Blatzheim for their roles in the price-fixing conspiracy. The individuals were also indicted on charges that they knowingly made false statements to federal law enforcement officials during the investigation. The trial is set for June 5, 2006 before Judge Larry J. McKinney.

In March 2006, Builder's Concrete & Supply Co. Inc. and its president, Gus "Butch" Nuckols III pleaded guilty for their participation in the conspiracy. Both have yet to be sentenced.

In December 2005, four executives from Irving Materials Inc. were each sentenced to serve five months imprisonment and five months home confinement, and to pay fines ranging from \$100,000 to \$200,000 each after pleading guilty to participation in the conspiracy. In June

2005, Irving Materials Inc. pleaded guilty and was sentenced to pay a \$29.2 million fine — the largest fine ever collected by the Department of Justice in a domestic antitrust investigation.

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. All press inquiries should be directed to the Office of Public Affairs at the Department of Justice at 202-514-2007.

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