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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/27/2004

Virgil Carl Mabrey, date of birth REDACTED, social security account number REDACTED, was interviewed by author and U.S. Department of Justice attorney Carla M. Stern, at Mabrey's residence, 6320 S. Hunters Run, Pendleton, Indiana 46064, home telephone no.: 765-778-4926. After being advised of the identity of the interviewing agents and the nature of the interview, Mabrey provided the following information:

For the past seven (7) or eight (8) years, Mabrey has been employed as Sales Manager for Carmel Concrete. As Sales Manager, Mabrey's duties include approving bids submitted by his two (2) salesmen, Scott Noel and Jeff Humble; tracking company sales; promoting company products; attending trade shows; and directing the sales team. Mabrey has no ownership stake in the company. Prior to working for Carmel Concrete, Mabrey formed, owned and operated Prairie Concrete with his then-business partner, Gary Matney. Mabrey parted ways with Matney and Prairie Concrete when he went to work for Carmel Concrete.

Mabrey's immediate supervisor is Scott Hughey, part-owner and president of Carmel Concrete. Carmel Concrete is owned by other members of the Hughey family.

Mabrey said he was made aware by Scott Hughey of meetings attended by representatives of various other concrete companies in the Indianapolis area. At a meeting which occurred sometime in the fall of 2003, representatives from the companies agreed upon a maximum discount to customers of no more than \$5.50 off list price for each cubic yard of concrete. If Mabrey wished to go below the \$5.50 discount, he was required to get permission from Scott Hughey. Mabrey knows this meeting occurred because Scott Hughey told him about the meeting both before and after the meeting. Scott Hughey took Mabrey into his office and closed the door to tell Mabrey about the meeting and what was agreed upon by the company representatives. Mabrey said it was understood that he wasn't supposed to talk about this agreement with anyone else.

Mabrey is unaware of the location of this or other meetings among the various concrete companies' representatives. Mabrey estimates the representatives met two (2) or three (3) times

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Investigation on 05/25/2004 at Pendleton, Indiana

File # 60-IP-93296

Date dictated 05/27/2004

by SA Scott T. Ballock (S:\SQ6\148stb01.302)

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in total over an unknown period of time. Mabrey is aware that the meetings occurred because Scott Hughey told him so.

Mabrey believes the price agreement was made because market prices were going lower. Prior to the price agreement, discounts were approximately \$7.50 off list price for each cubic yard of concrete.

Mabrey said Scott Hughey told him representatives from all area concrete companies, with the exception of Prairie, attended the meetings. Mabrey is unaware why Prairie did not attend the meetings. Mabrey said he suspects the following individuals from their respective companies attended the meetings: Butch Nuckols (Builders); the Haehl brothers (Shelby); Jason Mann (American); Price Irving (IMI). Mabrey has no specific knowledge that these are the individuals who represented each company at the meetings, but these are the upper-level individuals he associates with each company. Mabrey does not know who from Beaver would have attended the meetings.

Mabrey said Carmel Concrete did not always adhere to the \$5.50 maximum discount agreement because market forces necessitated that they offer even lower prices. Mabrey said that yesterday, at Scott Hughey's suggestion, he and Scott Hughey discussed the need to go below the \$5.50 maximum discount. In an effort to become more aggressive and competitive with other concrete companies, he and Scott Hughey discussed that they would now give a discount of as low as \$10.00.

Mabrey said that this past winter, in concert and agreement with the other association members, he and Scott Hughey discussed the possibility of implementing a winter charge but they ultimately decided against doing so because none of their competitors were adding the charge and because customers complained about the possibility of an added charge.

Mabrey's e-mail address at work is vmabrey@carmelconcrete.com. His password is Carl. Scott Hughey does not have an e-mail account at work; he does not even use a computer.

Carmel Concrete's largest customers include Hagerman Construction, F.A. Wilhelm Construction, Firm Foundation, Pulte Homes, and Dave Puckett.

FD-302a (Rev. 10-6-95)

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Effective April 1, 2004, as agreed upon by the representatives of the various concrete companies, Carmel Concrete increased its prices. Prices were increased \$2.00 for a cubic yard and \$2.50 for bag mixes. IMI was the first to increase its prices and Carmel Concrete followed approximately one (1) week later. Customers were notified by mail of the price increase. Carmel Concrete did not receive complaints from customers. Mabrey believes there were no complaints because it was the first price increase in several years. Mabrey believes the price increase was justified and "wasn't nearly enough."

Carmel Concrete is a member of Ready Mix Concrete Association. Mabrey's only involvement in this association is his attendance at golf functions. Mabrey doesn't know what is discussed at the association's meetings but believes the setting of prices does not occur. Mabrey says the members sign non-collusion agreements which are kept at the Indiana Ready Mix business offices, which are headquartered at the Pyramid office buildings in Indianapolis.

Scott Hughey's cellular telephone number is 317-442-7082.