

United States Department of Justice

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Former Executive of Iowa Ready-Mix Concrete Company Agrees to Plead Guilty to Price Fixing and Bid Rigging - Executive Agrees to Serve 19 Months in Jail

WASHINGTON—A former executive of an Iowa ready-mix concrete company has agreed to plead guilty and serve 19 months in jail for participating in three separate conspiracies to fix prices and rig bids for the sales of ready-mix concrete, the Department of Justice announced today.

According to a three-count felony charge filed today in U.S. District Court in Sioux City, Iowa, Steven Keith VandeBrake, a/k/a Steve VandeBrake, former executive of an Iowa ready-mix concrete company, participated in separate conspiracies with three different companies involving agreements to fix prices and/or to rig bids for ready-mix concrete sold to various companies in Iowa. Under the terms of the plea agreement, which is subject to court approval, VandeBrake has also agreed to pay a criminal fine of \$100,000. VandeBrake is the first to be charged in the investigation.

According to court documents, VandeBrake participated in conspiracies in which he engaged in discussions concerning project bids for sales of ready-mix concrete, submitted rigged bids at collusive and noncompetitive prices to customers in Iowa, and accepted payment for sales of ready-mix concrete at predetermined prices. He also engaged in discussions and reached agreements regarding the prices on the conspirators' annual price lists for ready-mix concrete sold in Iowa, the department said.

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

VandeBrake is charged with violating the Sherman Act, which carries a maximum penalty of 10 years in prison and a fine of \$1 million per count for individuals. 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 charge arose from an ongoing federal antitrust investigation of the ready-mix concrete industry in Iowa and its surrounding states. The investigation is being conducted by the Department of Justice Antitrust Division's Chicago Field Office, the FBI's Sioux City Resident Agency, and the U.S. Department of Transportation's Office of Inspector General, with the assistance of the U.S. Attorney's Office in Sioux City, Iowa.