



Department of Justice

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Two Commercial Flooring Executives Plead Guilty to Rigging Bids in Violation of Federal Antitrust Laws

Two commercial flooring executives, Robert A. Patrey Jr. and Kenneth R. Smith, pleaded guilty for their role in an antitrust conspiracy to rig bids and fix prices for commercial flooring services and products sold in the United States, the Department of Justice announced. The defendants are cooperating with the Justice Department's ongoing investigation.

According to plea agreements filed in U.S. District Court in Chicago, Illinois, from at least as early as 2009 until at least June 22, 2017, the defendants engaged in a conspiracy to suppress and eliminate competition in the commercial flooring market by agreeing with other individuals and companies to submit "comp," or complementary, bids so that the designated company would win the bidding. Smith's plea today is the fifth plea in the investigation. Patrey entered a guilty plea on Feb. 27, 2020.

"The recent guilty pleas are the latest in the government's investigation, and they won't be the last," said Assistant Attorney General Makan Delrahim of the Department of Justice's Antitrust Division. "This scheme among commercial flooring contractors in the Chicago area victimized American taxpayers by targeting public institutions, including vulnerable public schools operating in a resource-constrained environment. The Antitrust Division and its law enforcement partners are committed to protecting taxpayer dollars and bringing to justice executives involved in these harmful bid-rigging cartels."

"These defendants illegally manipulated the bidding process, victimizing American taxpayers and vulnerable institutions in the process," said Special Agent in Charge Emmerson Buie, Jr. of the Federal Bureau of Investigation's Chicago Field Office. "The FBI and its partners will continue to protect our communities by holding companies and their executives responsible for bid-rigging schemes."

Individual violations of the Sherman Act carry maximum penalties of 10 years in prison and a \$1 million criminal fine. 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.

The guilty pleas are the result of an ongoing federal antitrust investigation into bid rigging, price fixing, and other anticompetitive conduct in the commercial flooring industry, conducted by the Antitrust Division's Chicago Office and the FBI's Chicago Field Office. Last week, in a case arising out of this investigation, Carter Brett, an account executive for a large flooring manufacturer, pleaded guilty to two counts related to a bid-rotation conspiracy and a money-laundering conspiracy.

Anyone with information on bid rigging, price fixing, or other anticompetitive conduct related to the commercial flooring industry should contact the Antitrust Division's Chicago Office at 312-984-7200, contact the Antitrust Division's Citizen Complaint Center at 888-647-3258, or visit <http://www.justice.gov/atr/report-violations>.

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