

JUSTICE NEWS

Department of Justice

Office of Public Affairs

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Former Vice President of Commercial Flooring Contractor Charged With Bid Rigging

Michael P. Gannon, former Vice President of Sales for a large Chicago-based commercial flooring contractor, has been charged for his role in a conspiracy to rig bids and fix prices for commercial flooring services and products sold in the United States, the Department of Justice announced today. This charge is the first in the Department's ongoing investigation into bid rigging and price fixing by commercial flooring contractors.

Assistant Attorney General Makan Delrahim of the Department of Justice's Antitrust Division and Special Agent in Charge, Jeffrey S. Sallet, of the Federal Bureau of Investigation's Chicago Field Division, made the announcement.

According to a one-count felony charge filed today in U.S. District Court for the Northern District of Illinois, Gannon and his employer 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. According to the charge, Gannon and his co-conspirators rigged bids for commercial flooring services and products for almost a decade, from at least as early as 2009 until as late as June 22, 2017.

“Today’s charge is the first of what we expect to be many in this ongoing investigation into bid rigging,” said Assistant Attorney General Delrahim.

“Any collusion by commercial flooring contractors exploits local communities whose schools, hospitals, charities, and businesses are entitled to the benefits of competitive bidding. The Justice Department and our law enforcement partners will bring contractors to justice when they cheat rather than compete.”

“The FBI has no tolerance for contractors who seek to profit by criminally exploiting innocent businesses and communities,” said Special Agent in Charge Sallet. “We will continue to use every tool at our disposal to hold these offenders accountable for their crimes and restore equity to the bidding process.”

A violation of the Sherman Act carries maximum penalties of a \$100 million criminal fine for corporations and 10 years in prison and a \$1 million criminal fine 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.

An information is merely an accusation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt.

The charges 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 Division.

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.

Attachment(s):

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Topic(s):

Antitrust

Component(s):

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Federal Bureau of Investigation (FBI)

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