

Press Release

Asphalt Paving Company and President Plead Guilty to Bid Rigging

Tuesday, August 29, 2023

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Office of Public Affairs

Second and Third Guilty Pleas in Ongoing Investigation of Collusion in Michigan-Area Asphalt Industry

A Michigan company and its president pleaded guilty today for their roles in two separate conspiracies to rig bids for asphalt paving services contracts in Michigan.

According to court documents filed in the U.S. District Court in Detroit, Clarkston-based F. Allied Construction Company Inc. (Allied) and its president, Andrew Foster, conspired with two asphalt paving companies and their employees to rig bids in each other's favor. Allied and Foster participated in the two conspiracies from June 2013 through June 2019, and from July 2017 through May 2021, respectively. The co-conspirators coordinated each other's bid prices so that the agreed-upon losing company would submit intentionally non-competitive bids. These bids gave customers the false impression of competition when, in fact, the co-conspirators already had decided among themselves who would win the contracts.

“These guilty pleas demonstrate our commitment to protecting Americans from schemes that undermine competition in the transportation infrastructure sector,” said Deputy Assistant Attorney General Manish Kumar of the Justice Department's Antitrust Division. “Along with our law enforcement partners, the division will continue to seek justice when corporations and their leaders deprive customers of fair and open competition.”

“The additional judicial actions taken to thwart this bid rigging scheme demonstrate our commitment to working with our law enforcement and prosecutorial partners to investigate anticompetitive practices in the transportation industry,” said Special Agent in Charge Andrea M. Kropf of the Department of Transportation Office of the Inspector General (DOT-OIG), Midwestern Region. “These plea agreements should send a clear message that dishonest and deceitful behavior will not be allowed.”

“Activities related to bid-rigging and collusion do not promote an environment conducive to open competition which harms the consumer,” said Executive Special Agent in Charge Kenneth Cleevly of the U.S. Postal Service Office of Inspector General (USPS-OIG). “The guilty pleas in this case represent a win for all law enforcement agencies who investigate those who engage in this type of harmful conduct to ensure that justice is served.”

Allied and Foster each pleaded guilty to two counts of violating Section One of the Sherman Act. The maximum penalty for individuals is 10 years in prison and a \$1 million criminal fine. The maximum penalty for corporations is a \$100 million criminal fine. The 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 amount is greater than the statutory maximum fine. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Allied is the first company and Foster the second individual to plead guilty as a result of an [ongoing federal antitrust investigation](#) into bid rigging and other anticompetitive conduct in the asphalt paving services industry being conducted by the Antitrust Division’s Chicago Office, DOT-OIG and USPS-OIG.

Anyone with information in connection with this investigation should contact the Antitrust Division’s Complaint Center at 888-647-3258, or visit www.justice.gov/atr/report-violations.

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