

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

★FILED★

2008 MAR 26 PM 12: 28

----- X

UNITED STATES OF AMERICA

CLERK
INFORMATION ~~TO~~ DISTRICT COURT
E.D.N.Y.

- against -

Cr. No. 08 CR 123 -1
T. 15, U.S.C. § 1
(JFB)

PECK & HALE L.L.C.,

Defendant.

----- X

CRIMINAL INFORMATION

THE UNITED STATES OF AMERICA, THROUGH ITS ATTORNEYS, CHARGES
THAT:

At all times relevant to this Information:

1. The defendant Peck & Hale, L.L.C. ("Peck & Hale")
was an entity organized and existing under the laws of New York
with its principal place of business in West Sayville, New York.

2. Peck & Hale was a manufacturer and seller of
military tiedown equipment and cargo securing systems to the
United States Department of Defense, including metal sling hoist
assemblies, "Mickey Mouse" hooks, horseshoe shackles, tow bar
hooks, tank & pump units, Dee rings, and turn buckle hooks.

3. Whenever in this Information reference is made to
any act, deed or transaction of any corporation, the allegation
means that the corporation engaged in the act, deed, or
transaction by or through its officers, directors, agents,

employees, or other representatives while they were actively engaged in the management, direction, control or transaction of its business or affairs.

4. Military tiedown equipment and cargo securing systems are used to secure vehicles, aircraft, munitions, ISO containers and other specialized military cargo requirements for land, sea, and air transportation. Peck & Hale and its co-conspirators were engaged in manufacturing and selling these items to the United States Department of Defense.

Count I

DESCRIPTION OF THE OFFENSE

1. Beginning at least as early as December of 2002 and continuing until at least as late as January of 2004, the exact dates being unknown to the United States, the defendant and co-conspirators entered into and engaged in a combination and conspiracy to suppress and eliminate competition by submitting non-competitive bids to the United States Navy on contracts for metal sling hoist assemblies. The combination and conspiracy engaged in by the defendant and co-conspirators was in unreasonable restraint of interstate trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

2. The charged combination and conspiracy consisted of an agreement, understanding, and concert of action among the defendant and co-conspirators, the substantial terms of which

were to rig bids on contracts for metal sling hoist assemblies sold to the United States Navy for the purpose of raising the price paid by the Department of Defense for metal sling hoist assemblies.

3. Various corporations and individuals, not made defendants in Count I of this Information, participated as co-conspirators in the offense charged in this Count and performed acts and made statements in furtherance thereof.

MEANS AND METHODS OF THE CONSPIRACY

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and co-conspirators did those things that they combined and conspired to do, including, among other things:

- (a) attended meetings and engaged in discussions regarding the sale of metal sling hoist assemblies to the United States Navy;
- (b) agreed during those meetings and discussions not to compete on certain contracts for the United States Navy either by not submitting prices or bids on those contracts, by alternating winning bids on those contracts, or by submitting intentionally high prices or bids on those contracts;
- (c) discussed and exchanged prices on certain

contracts so as not to undercut one another's prices;

- (d) submitted bids in accordance with the agreements reached;
- (e) sold metal sling hoist assemblies to the United States Navy pursuant to those agreements at collusive and non-competitive prices; and
- (f) accepted payments for metal sling hoist assemblies sold at collusive and noncompetitive prices.

TRADE AND COMMERCE

5. A metal sling hoist assembly is a wire rope basket-type sling consisting of swaged legs on both free ends and two tensioning latches, which is used to hold items to be transported, such as bombs and other munitions. Metal sling hoist assemblies are used in some form by all branches of the military and, in particular, they are frequently used by the Navy onboard aircraft carriers to transport missiles or bombs from where those weapons are stored to the planes or helicopters that will carry them. During the period covered by Count I of this Information, Peck & Hale and its co-conspirators were engaged in manufacturing and selling metal sling hoist assemblies to the U.S. Navy.

6. During the period covered by Count I of this Information, metal hoist sling assemblies sold by one or more of

the conspirator firms, and equipment and supplies necessary to the production and distribution of metal sling hoist assemblies, as well as payments for metal sling hoist assemblies and necessary supplies, traveled in interstate commerce.

7. During the period covered by Count I of this Information, the business activities of defendant and its co-conspirators in connection with the production and sale of metal sling hoist assemblies that are the subject of Count I of this Information were within the flow of, and substantially affected, interstate and foreign trade and commerce.

JURISDICTION AND VENUE

8. The combination and conspiracy charged in Count I of this Information was carried out, in part, within the Eastern District of New York within the five years preceding the filing of this Information.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

Count II

DESCRIPTION OF THE OFFENSE

1. Beginning at least as early as November of 2001 and continuing until as late as January of 2005, the exact dates being unknown to the United States, the defendant and co-conspirators entered into and engaged in a combination and conspiracy to suppress and eliminate competition by submitting non-competitive bids to the United States Department of Defense

on contracts for military tiedown equipment and cargo securing systems. The combination and conspiracy engaged in by the defendant and co-conspirators was in unreasonable restraint of interstate trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

2. The charged combination and conspiracy consisted of an agreement, understanding, and concert of action among the defendant and co-conspirators, the substantial terms of which were to rig bids on United States Department of Defense contracts for military tiedown equipment and cargo securing systems for the purpose of raising the price paid by the Department of Defense for these parts.

3. Various corporations and individuals, not made defendants in Count II of this Information, participated as co-conspirators in the offense charged in this Count and performed acts and made statements in furtherance thereof.

MEANS AND METHODS OF THE CONSPIRACY

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and co-conspirators did those things that they combined and conspired to do, including, among other things:

- (a) attended meetings and engaged in discussions regarding the sale of various defense parts, including military tiedown equipment and cargo

securing systems, to the United States Department of Defense;

- (b) agreed during those meetings and discussions not to compete on certain contracts for the United States Department of Defense by not submitting prices or bids on those contracts;
- (c) submitted bids in accordance with the agreements reached;
- (d) sold parts to the United States Department of Defense, including military tiedown equipment and cargo securing systems, pursuant to those agreements at collusive and non-competitive prices; and
- (e) accepted payments for those parts sold at collusive and noncompetitive prices.

TRADE AND COMMERCE

5. Military tiedown equipment and cargo securing systems are used to secure containers and loose cargo on vehicles, vessels, and aircraft. They are purchased by all branches of the United States military services. During the period covered by Count II of this Information, Peck & Hale and its co-conspirators were engaged in manufacturing and selling military tiedown equipment and cargo securing systems to the Department of Defense.

6. During the period covered by Count II of this Information, military tiedown equipment and cargo securing systems were sold by one or more of the conspirator firms, and equipment and supplies necessary to the production and distribution of the military tiedown equipment and cargo securing systems, as well as payments for the military tiedown equipment and cargo securing systems traveled in interstate commerce.


7. During the period covered by Count II of this Information, the business activities of the defendant and its co-conspirators in connection with the production and sale of military tiedown equipment and cargo securing systems that are the subject of this Information were within the flow of, and substantially affected, interstate and foreign trade and commerce.


JURISDICTION AND VENUE


8. The combination and conspiracy charged in Count II of this Information was carried out, in part, within the Eastern District of New York within the five years preceding the filing of this Information.


ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.


THOMAS O. BARNETT / SDH
Assistant Attorney General


LISA PHELAN
Chief
National Criminal Enforcement
Section


SCOTT D. HAMMOND
Deputy Assistant Attorney General


MARC SIEGEL
Director of Criminal Enforcement
Antitrust Division
U.S. Department of Justice


KATIE HELLINGS
LIZ ALOI
Attorneys, Antitrust Division
U.S. Department of Justice
Nat'l Crim. Enforcement Sect.
1401 H Street, NW, Suite 3700
Washington, D.C. 20530
Tel.: (202) 307-6694