

Note: The defendants in this case, Steven Dornsbach and Kamida Inc., were acquitted by a jury of the charges alleged in this indictment.

22 cr 48 ECT/ECW

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
Criminal No.:

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	INDICTMENT
)	
v.)	15 U.S.C. § 1
)	
STEVEN DORNSBACH;)	
KAMIDA, INC.,)	
)	
Defendants.)	

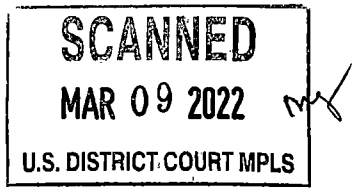
THE GRAND JURY CHARGES THAT:

At all times relevant to this Indictment:

COUNT 1
(Conspiracy to Restrain Trade)

DESCRIPTION OF THE OFFENSE

1. STEVEN DORNSBACH and KAMIDA, INC. are hereby indicted and made defendants on the charge contained in this Indictment.
2. From at least as early as September 2012 and continuing through at least as late as July 2017, the exact dates being unknown to the Grand Jury, in the District of Minnesota and elsewhere, Defendant STEVEN DORNSBACH, Defendant KAMIDA, INC., and their co-conspirators knowingly entered into and engaged in a conspiracy to suppress and eliminate competition by rigging bids for concrete repair and construction contracts submitted to municipalities in the state of Minnesota, including the City of Eden Prairie, City of Plymouth, Eden Prairie Schools, and Wayzata Public Schools. The conspiracy engaged in by Defendants and their co-conspirators was a *per se* unlawful, and thus unreasonable, restraint of interstate commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).



3. The charged conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendants and their co-conspirators, the substantial terms of which were to rig bids for concrete repair and construction contracts submitted to the City of Eden Prairie, City of Plymouth, Eden Prairie Schools, and Wayzata Public Schools in the District of Minnesota.

BACKGROUND

4. Minnesota's Uniform Municipal Contracting Law, Minnesota Statutes § 471.345, governed the contracting process for counties, towns, cities, and school districts in the state of Minnesota (collectively, "municipalities") when entering into contracts for the construction, alteration, repair, or maintenance of real or personal property. The law required that municipalities obtain two or more quotations from bidders before awarding a contract for an amount above a certain threshold. At times, municipalities set policies requiring two or more quotations at a lower threshold amount than that required by state law.

5. The City of Eden Prairie, City of Plymouth, Eden Prairie Schools, and Wayzata Public Schools were municipalities subject to the Minnesota Uniform Municipal Contracting Law. The City of Eden Prairie, City of Plymouth, Eden Prairie Schools, and Wayzata Public Schools solicited quotations for contracts to perform concrete repair and construction projects.

DEFENDANT AND CO-CONSPIRATORS

6. Defendant STEVEN DORNSBACH, a resident of Minnesota, was the Chief Executive Officer of Defendant KAMIDA, INC. Defendant KAMIDA, INC. was a corporation organized and existing under the laws of Minnesota, and engaged in the business of concrete repair and construction within the District of Minnesota. On behalf of Defendant KAMIDA, INC., Defendant STEVEN DORNSBACH, submitted quotes to provide concrete repair and

construction services to Defendant KAMIDA, INC.'s customers, including Minnesota municipalities.

7. Clarence Olson ("Olson") was a resident of Minnesota and employed by COMPANY A. COMPANY A was a corporation organized and existing under the laws of Minnesota, and engaged in the business of concrete repair and construction within the District of Minnesota. On behalf of COMPANY A, Olson submitted quotes to provide concrete repair and constructions services.

8. Defendant STEVEN DORNSBACH and Olson prepared, submitted, and caused to be submitted quotations for concrete repair and construction projects to a number of Minnesota municipalities, including the City of Eden Prairie, City of Plymouth, Eden Prairie Schools, and Wayzata Public Schools.

9. Others, not made defendants in this Indictment, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance of the conspiracy.

10. Whenever in this Indictment 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.

MEANS AND METHODS OF THE CONSPIRACY

11. For the purpose of forming and carrying out the charged conspiracy, Defendant STEVEN DORNSBACH, Defendant KAMIDA, INC., and their co-conspirators did those things that they conspired to do, including, among other things:

- a. engaging in discussions and communications with each other about concrete repair and construction contracts with municipalities, during which Defendant STEVEN DORNSBACH requested that Olson submit intentionally losing quotations from COMPANY A for such contracts, provided Olson with KAMIDA, INC.'s quotations, and provided prices for Olson to use in COMPANY A's quotations;
- b. agreeing during those discussions and communications that COMPANY A would submit intentionally losing quotations containing prices higher than the prices Defendant STEVEN DORNSBACH included in Defendant KAMIDA, INC.'s quotations;
- c. submitting and causing to be submitted quotations to the City of Eden Prairie, City of Plymouth, Eden Prairie Schools, and Wayzata Public Schools from COMPANY A that were intentionally higher than Defendant KAMIDA, INC.'s quotations for the same contracts, to make it appear to the municipalities that COMPANY A was competing for the contracts, when, in fact, Defendant STEVEN DORNSBACH and Olson knew that COMPANY A's quotations were intended to lose to Defendant KAMIDA, INC.'s quotations;

- e. Defendant KAMIDA, INC. entering into concrete repair and construction contracts with the City of Eden Prairie, City of Plymouth, Eden Prairie Schools, and Wayzata Public Schools, for which COMPANY A had submitted intentionally losing quotations; and
- f. Defendant KAMIDA, INC. accepting payment pursuant to concrete repair and construction contracts with the City of Eden Prairie, City of Plymouth, Eden Prairie Schools, and Wayzata Public Schools awarded at collusive and noncompetitive prices.

TRADE AND COMMERCE

12. The business activities of Defendants and their co-conspirator in connection with the concrete repair and construction contracts that are the subject of this Indictment were within the flow of, and substantially affected, interstate trade and commerce. For instance:

- a. Defendant KAMIDA, INC. purchased supplies containing raw materials cement and fly ash to perform the work required pursuant to the concrete repair and construction contracts that are the subject of this Indictment, which raw materials were produced and shipped from outside of the state of Minnesota, in a continuous and uninterrupted flow of interstate trade and commerce.
- b. The conspiracy was intended to obtain concrete repair and construction contracts at collusive and noncompetitive prices, which would reduce the municipalities' ability to make purchases in interstate trade and commerce.

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

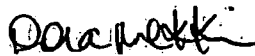
A TRUE BILL

DATED

FOREPERSON



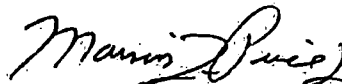
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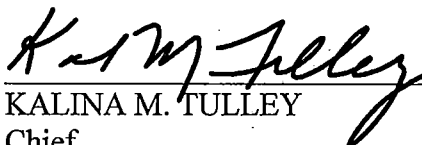
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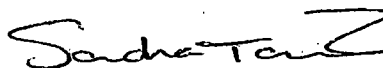


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