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**Department of Justice**

Office of Public Affairs

FOR IMMEDIATE RELEASE

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## **Former Aerospace Outsourcing Executive Charged for Key Role in a Long-Running Antitrust Conspiracy**

### **Eight-Year Scheme Illegally Limited Workers' Career Prospects and Earnings**

The U.S. District Court for the District of Connecticut unsealed a criminal complaint accusing a former aerospace outsourcing executive of participating in a long-running conspiracy with managers and executives of several outsource engineering suppliers (Suppliers) to restrict the hiring and recruiting of engineers and other skilled laborers among their respective companies.

According to the filed documents, Mahesh Patel, of Glastonbury, Connecticut, a former director of global engineering services at a major aerospace engineering company, enforced this agreement while serving as an intermediary between conspiring Suppliers. Patel appeared remotely before a federal court in Hartford, Connecticut, on Tuesday after his arrest on the complaint charging him with conspiracy in restraint of trade. He was released on conditions including travel restrictions and a \$100,000 appearance bond. The charge against Patel is the first in this ongoing federal antitrust investigation.

"The Antitrust Division, together with our law enforcement partners, have prioritized rooting out conspiracies in labor markets," said Assistant Attorney General Jonathan Kanter of the Justice Department's Antitrust Division. "Here, thousands of workers have been victimized over a long period of time. We will vigorously prosecute this and other cases in which corporate executives undermine the careers of their own workers in order to reap undeserved profits and deprive our fellow citizens of opportunities to earn a competitive wage."

"Given the significance of major defense and aerospace companies to Connecticut's economy, it is vital that the labor market in this industry remain fair, open and competitive to our workers," said Peter S. Jongbloed, Counsel to the U.S. Attorney for the District of Connecticut. "No one should be illegally denied the opportunity to pursue better jobs, higher pay and greater benefits. We look forward to continuing the partnership with the Antitrust Division and our law enforcement partners in prosecuting this important case."

"Protecting the integrity of the Department of Defense (DoD) procurement process is a top priority for the DoD Office of Inspector General's Defense Criminal Investigative Service (DCIS)," said Principal Deputy Director James R. Ives of the DCIS. "We are committed to working with the Antitrust Division and the U.S. Attorney's Office for the District of Connecticut to hold companies and individuals accountable for practices that erode public trust and confidence in the DoD industry."

According to the affidavit filed in support of the criminal complaint, Patel upheld a conspiracy among aerospace companies not to hire or recruit one another's employees. At times, Patel confronted and

berated Suppliers who cheated on the agreement, often at the direct behest of another Supplier, and threatened to punish nonconforming Suppliers by taking away valuable access to projects. In addition, as the complaint alleges, Patel and co-conspirators recognized the mutual financial benefit of this agreement — namely, reducing the rise in labor costs that would occur when aerospace workers were free to find new employment in a competitive environment.

The maximum penalty for conspiracy to restrain trade under the Sherman Antitrust Act is 10 years of imprisonment and a fine of \$1 million 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 amount is greater than the statutory maximum fine.

The charges are the result of an ongoing federal antitrust investigation into market allocation in the aerospace engineering services industry, conducted by the Antitrust Division's New York Office, the U.S. Attorney's Office for the District of Connecticut, and the New Haven and New York Resident Agencies of the DCIS. Anyone with information in connection with this investigation should contact the Antitrust Division's Complaint Center at 888-647-3258, or visit <http://www.justice.gov/atr/report-violations>.

*A criminal complaint is merely an allegation, and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.*

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