



Department of Justice

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Insulation Contracting Firm Sentenced for Rigging Bids

Third Defendant Sentenced in Investigation in the Insulation Contracting Industry

Axion Specialty Contracting LLC (Axion) was sentenced to pay a \$1,001,989 criminal fine and \$313,121 in restitution on Nov. 4 in Bridgeport, Connecticut, for its participation in a bid-rigging scheme targeting public and private entities in Connecticut. This is the third sentencing arising out of a long-running investigation into the insulation contracting industry.

According to a guilty plea entered on Aug. 3 the defendant conspired with other insulation contractors to rig bids on contracts for installing insulation around pipes and ducts on construction projects at universities, hospitals and other public and private entities in Connecticut. The conspiracy ran for over five years, beginning as early as October 2012 and continuing until as late as March 2018. Six other individuals and companies have pleaded guilty to criminal conduct arising out of this investigation. Three individuals and one company await sentencing.

“Today’s sentence reflects the seriousness of conduct that subverts the competitive process and targets public and private institutions,” said Assistant Attorney General Jonathan Kanter of the Justice Department’s Antitrust Division. “We will pursue and hold accountable companies that subvert the competitive process for personal gain and corporate greed.”

“Through this prosecution, individuals and businesses that illegally colluded with competitors to improve their companies’ bottom lines are being held accountable,” said U.S. Attorney Vanessa Roberts Avery for the District of Connecticut. “I commend the FBI and DCIS for investigating this scheme that victimized hospitals, universities and businesses throughout Connecticut.”

“The FBI takes allegations of project or construction fraud and bid rigging very seriously and will expend all appropriate resources to investigate such matters fully,” said Special Agent in Charge David Sundberg of the FBI New Haven Office. “This sentence and punitive penalty stand as evidence that we will pursue and bring to justice those who conspire to commit such crimes.”

“The Defense Criminal Investigative Service (DCIS), the law enforcement arm of the Department of Defense (DoD) Office of Inspector General, investigates anticompetitive practices that erode equity and trust in the DoD contracting processes,” said Special Agent in Charge Patrick J. Hegarty of the DCIS Northeast Field Office. “This sentencing demonstrates our commitment to partner with the Department of Justice and the FBI to hold accountable those companies that threaten the DoD procurement system.”

Axion previously pleaded guilty to one count of bid rigging under Section 1 of the Sherman Antitrust Act. Axion was also ordered to pay a special assessment of \$400.

The Antitrust Division’s New York Office, the U.S. Attorney’s Office for the District of Connecticut, the FBI New Haven Office and the DCIS’s New Haven Resident Agency investigated this case.

In November 2019, the Department of Justice created the Procurement Collusion Strike Force, a joint law enforcement effort to combat antitrust crimes and related fraudulent schemes that impact government procurement, grant, and program funding at all levels of government — federal, state and local. To contact the Procurement Collusion Strike Force, or to report information on

market allocation, price fixing, bid rigging and other anticompetitive conduct related to construction or infrastructure, go to <https://www.justice.gov/procurement-collusion-strike-force>.

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