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USAID INVESTIGATION LEADS TO GUILTY VERDICTS AND PLEA AGREEMENT

Former Company President Found Guilty of Rigging Bids on USAID-Funded Contracts in Egypt, and Company Pleads Guilty and Agrees to Pay \$54 Million Fine

WASHINGTON, D.C. – The United States Agency for International Development (USAID) announced today that on February 12, 2002, a federal jury in the U.S. District Court in Birmingham, Alabama found Elmore Roy Anderson, former President, Bilhar International Establishment (Bilhar), **guilty as charged** on both counts of a federal indictment, which had charged him with: (1) conspiring to rig bids on USAID-funded construction projects in the Arab Republic of Egypt in violation of Title 15 U.S.C. Section 1 (Sherman Antitrust Act); and (2) conspiring to defraud the United States in violation of Title 18 U.S.C. Section 371.

On February 4, 2002, the company, Bilhar International Establishment, a Liechtenstein company, pleaded guilty to a one-count felony for its role in the bid-rigging conspiracy and agreed to pay a criminal fine in the amount of \$54 million.

Today's announcement resolves all issues associated with a federal grand jury indictment, filed July 25, 2001, charging Bill Harbert International Construction, Inc. (BHIC), of Birmingham, Alabama; its foreign affiliate, Bilhar International Establishment (Bilhar); and Bilhar's former president, Elmore Roy Anderson, with conspiring to rig bids and to defraud USAID on more than \$250 million of construction work on USAID-funded projects in Egypt from May 1988 until September 1996.

In accordance with the terms of the aforementioned plea agreement negotiated with Bilhar by the Department of Justice (DOJ), Antitrust Division, the charges against BHIC were dismissed. Also, a separate count of the indictment charging Bilhar with conspiracy to defraud the United States was also dropped.

As a result of his conviction, Mr. Anderson faces a maximum penalty of three years imprisonment and a \$350,000 fine on the bid rigging count, as well as a maximum penalty of five years imprisonment and a \$250,000 fine on the conspiracy to defraud count. His sentencing date is scheduled for May 16, 2002.

Mr. Anderson's conviction and Bilhar's guilty plea constitute the latest in a series of convictions/judgments arising out of a long-term joint investigation by the DOJ Antitrust Division (Atlanta Field Office) and USAID/OIG into allegations that an international cartel of construction companies had targeted the USAID foreign assistance program in Egypt for exploitation.

"As a result of these latest actions, this six-year investigation has produced a civil settlement agreement, four separate corporate guilty pleas, and one criminal conviction, all of which we are proud to say will return more than \$154 million in criminal fines and civil restitution to the U.S. taxpayer," said Everett L. Mosley, USAID Inspector General.