



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**  
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Contact: Kim Walz  
USAID Press Office  
(202) 712-4320

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**USAID INVESTIGATION RESULTS IN GRAND JURY INDICTMENTS  
FOR BID RIGGING ON AGENCY FUNDED CONSTRUCTION  
CONTRACTS**

**WASHINGTON, D.C.** --The United States Agency for International Development (USAID) announced today that a federal grand jury in Birmingham, Alabama, has indicted two companies and two individuals for conspiring to rig bids on USAID-funded construction projects in the Arab Republic of Egypt and conspiring to defraud the United States.

In the first of two separate indictments filed in U.S. District Court in Birmingham, Alabama, three affiliated corporations and one individual were all charged with participating in a conspiracy to rig bids and to defraud the United States on over \$250 million of construction work. The indictment specifically charged Bill Harbert International Construction Inc. (BHIC), of Birmingham, Alabama; its foreign affiliate, Bilhar International Establishment, of Liechtenstein; and Bilhar's former president, Elmore Roy Anderson, with participating in the conspiracies which involved several USAID-funded projects in Egypt from May 1988 until September 1996.

A second separate indictment charged Peter W. Schmidt, a former member of the management board of Philipp Holzmann AG, of Frankfurt, Germany, with participation in the same conspiracies.

As part of its commitments under the Camp David Peace Accords, the United States, through the U.S. Agency for International Development, funded numerous construction contracts intended to foster stability and promote public health in the Middle East.

"The type of corruption charged in today's indictments is particularly troubling when it occurs in a program like USAID's, where the principal purpose of the program is to provide humanitarian support and developmental assistance to those most in need," said USAID Inspector General, Everett L. Mosley.

The indictments charge that the defendants and others carried out the bid rigging conspiracy by:

- participating in meetings and conversations to discuss rigging the bids on several U.S.-funded contracts in Egypt;

- agreeing not to bid, to bid at certain levels, or to increase the price levels of bids in order to suppress or eliminate competition on those contracts; and
- agreeing to pay or receive millions of dollars in return for the commitment of other members of the conspiracy not to compete for the contracts.

The bid rigging, as charged in today's filings against the two companies and two individuals, is a violation of Section 1 of the Sherman Act, which carries a maximum fine of \$10 million for a corporation, and three years imprisonment and a \$350,000 fine for individuals. In addition, the conspiracy to defraud the U.S. charge, a violation of 18 U.S.C. 371, carries a maximum fine of \$500,000 for corporations, and five years imprisonment and a \$250,000 for individuals. The maximum fine for each of these counts may be increased to an amount equal to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charges are the fourth and fifth cases to arise out of an ongoing grand jury investigation in the Northern District of Alabama being conducted jointly by the Justice Department's Antitrust Division (Atlanta Field Office) and the USAID Office of Inspector General.