

Beat: News

Former Aldi Executive and Local Contractor Indicted for Bid Fraud

Related to construction of Aldi stores

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USPA NEWS - On Tuesday, May 17, 2022, a federal grand jury in East St. Louis returned a nine- count indictment charging a former Aldi executive and a local general contractor with federal fraud offenses relating to the construction of Aldi grocery stores throughout Southern Illinois and Missouri.

Former Aldi Regional Director of Real Estate, Louis Ross, 62, of Florissant, Missouri, and the owner of C. Juengel ompany, Donald Schniers, 71, of Breese, Illinois, were both charged with one count of conspiracy to commit mail and wire fraud, four counts of mail fraud, and four counts of wire fraud.

Aldi Inc. operates a corporate chain of grocery stores with locations nationwide, including dozens of stores within the Southern District of Illinois and the St. Louis metropolitan area. Ross served as the Director of Real Estate for Aldi's O'Fallon, Missouri, Division, which encompasses the area. According to court documents, Schniers, through C. Juengel, provided general contracting services to Aldi in connection with the construction and renovation of Aldi stores in the O'Fallon, Missouri, Division.

Ross and Schniers are accused of conspiring to create the appearance of a competitive bidding environment when one did not exist. The indictment alleges that Ross and Schniers submitted fictitious bids in the names of other regional construction companies that were higher than C. Juengel's bids. Using these fictitious high bids from competing construction firms, Ross and Schniers ensured that C. Juengel was the lowest bidder on the projects and was ultimately awarded the contracts. The indictment further alleges that on at least one occasion, the Defendants altered a legitimate bid submitted by one local construction company to increase the amount of the bid to be higher than C. Juengel's bid. On other occasions, the Defendants allegedly created and submitted bids for other regional construction companies who had never bid on Aldi projects before.

According to the indictment, C. Juengel was awarded twelve contracts for general contractor services between March 2016 and May 2017, as a result of the fraud - valued at over \$21 million dollars. Because of the lack of competition in the bidding process, Aldi allegedly overpaid for the construction and renovation of stores in the O'Fallon, Missouri, Division.

"Individuals and companies who collude to thwart free market competition have a direct and negative impact on communities and the American consumer," said FBI Springfield Field Office Acting Special Agent in Charge Joe Rodriguez. "Today's indictment demonstrates the commitment of the FBI and our partners to investigate anti-competitive behavior and hold accountable those who try to cheat the system for their own benefit and profit."

The indictment also charges that Schniers paid Ross monthly kickbacks in exchange for the receipt of the Aldi contracts. Over a four-year period, Ross allegedly received \$554,000 in kickbacks in the form of checks drawn on C. Juengel's bank account. In addition, the indictment alleges that Ross also received thousands of dollars in kickbacks from another individual for the exclusive right to serve as the civil engineer on all Aldi new construction and renovation projects in the O'Fallon, Missouri, Division.

Ross and Schniers are scheduled to appear in federal court in East St. Louis for their arraignments on June 10, 2022, at 9:30 a.m. and 10:00 a.m., respectively. Each of the counts in the indictment carries a maximum term of imprisonment of 20 years.

United States Attorney, Steven D. Weinhoeft of the Southern District of Illinois made the announcement.

The investigation was conducted by the Springfield and St. Louis Field Offices of Federal Bureau of Investigation, and the St. Louis Field Office of the U.S. Postal Inspection Service.

The case is being prosecuted by Assistant United States Attorney Zoe J. Gross.

An indictment is merely a formal charge against a defendant. Under law, a defendant is presumed to be innocent of a charge until proven guilty beyond a reasonable doubt to the satisfaction of a jury.

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