

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA)	Criminal No.: 1:02-CR-718
)	
v.)	Filed: 11/20/02
)	
JOHN F. TRIPLETT,)	
)	Violation:
Defendant.)	18 U.S.C. § 371
)	

INDICTMENT

THE GRAND JURY CHARGES THAT:

CONSPIRACY
(18 U.S.C. § 371)

1. JOHN F. TRIPLETT (hereinafter “DEFENDANT TRIPLETT”) is hereby made a defendant on the charge stated below.

I. DEFENDANT AND CO-CONSPIRATORS

2. From at least as early as early 1996 until December 31, 1997, DEFENDANT TRIPLETT was a Senior Project Manager in the parts department of the Henry Pratt Company who lived in Illinois. DEFENDANT TRIPLETT retired from the Henry Pratt Company effective December 31, 1997, and moved to the Northern District of Georgia. The Henry Pratt Company was a manufacturer and supplier of equipment used in water and wastewater treatment plants, nuclear power plants, and other industrial installations and had its principal place of business in Aurora, Illinois. In his position with the Henry Pratt Company, DEFENDANT TRIPLETT was responsible for handling customer requests for repair parts and replacement equipment. In that capacity, DEFENDANT TRIPLETT was responsible for making recommendations to the Henry Pratt Company concerning from whom, and at what price, surplus equipment would be purchased by the Henry Pratt Company. Such surplus equipment would be refurbished by the Henry Pratt Company and resold to its customers. In his capacity as Senior Project Manager for the parts department, DEFENDANT TRIPLETT maintained expertise in nuclear valves, related equipment and other items sold by the Henry Pratt Company to customers contacting the Henry Pratt

Company parts department.

3. During the period covered by this Indictment, Eurotech Industries, Inc. (hereinafter "EUROTECH") was a corporation organized and existing under the laws of the State of Texas with its principal place of business in Houston, Texas and was in the business of being a machine shop.

4. During the period covered by this Indictment, Pumps, Valves & Equipment, Inc., d/b/a The Scruggs Company (hereinafter "PVE") was a corporation organized and existing under the laws of the State of Texas with its principal place of business in Houston, Texas and was in the business of selling equipment used in water and wastewater treatment plants.

II. DESCRIPTION OF THE OFFENSE

5. Beginning at least as early as early 1996 and continuing thereafter at least through May 26, 1998, the exact dates being unknown to the United States, in the Northern District of Georgia and elsewhere, DEFENDANT TRIPLETT, PVE, EUROTECH, and other co-conspirators did unlawfully, willfully, and knowingly conspire, combine, confederate, and agree in violation of Title 18, United States Code, Section 371 to commit offenses against the United States, to wit, to violate Title 18, United States

Code, Sections 1341, 1343, and 1346.

6. It was a part and object of said conspiracy that DEFENDANT TRIPLETT, PVE, EUROTECH, and other co-conspirators, having devised and intending to devise a scheme and artifice to (a) defraud the Henry Pratt Company; (b) obtain money from the Henry Pratt Company by means of false and fraudulent pretenses, representations, and promises; and (c) deprive the Henry Pratt Company of its right to the honest services of DEFENDANT TRIPLETT, executed the scheme and artifice by and through the use of the United States mail and certain writings, signs, sounds, and signals transmitted in interstate wire communications.

III. THE MANNER AND MEANS BY WHICH THE CONSPIRACY WAS CARRIED OUT

7. The Henry Pratt Company was defrauded by a kickback scheme arranged by DEFENDANT TRIPLETT and PVE. The Henry Pratt Company had a right to rely on DEFENDANT TRIPLETT to conduct his work on the company's behalf in an honest fashion so as to benefit his employer, including his work in securing equipment at the best possible price for resale by the company. The Henry Pratt Company employees were prohibited from taking

kickbacks from customers, suppliers or potential suppliers in return for favorable treatment. This prohibition ensured that employees performed their duties in the best interests of the company rather than in furtherance of conflicting personal financial interests. Instead of acting to obtain the best possible prices for purchases by the Henry Pratt Company, DEFENDANT TRIPLETT arranged for the Henry Pratt Company to buy, at inflated prices, certain surplus equipment obtained by PVE so the DEFENDANT TRIPLETT could receive kickbacks from PVE based on its profits from the equipment sales. As a result of the scheme and artifice to defraud, PVE paid kickbacks to DEFENDANT TRIPLETT for DEFENDANT TRIPLETT's role in the Henry Pratt Company's purchase of equipment that PVE had obtained. In order to facilitate the purchase of the equipment by the Henry Pratt Company and thus the payment of the kickbacks, DEFENDANT TRIPLETT and PVE concealed from the Henry Pratt Company PVE's participation in the obtaining of the equipment and the payments of kickbacks by PVE to DEFENDANT TRIPLETT using EUROTECH as a front company to conceal the source of said equipment. EUROTECH expressly knew that it was being used as a front company to conceal the identity of the true source of this equipment and agreed to act as a front company for that purpose. Said

scheme and artifice had the result that the Henry Pratt Company was deceived as to the true source of certain items it purchased in the course of its business, and kickbacks that DEFENDANT TRIPLETT received from PVE as a result of said purchases were concealed from the Henry Pratt Company.

8. For the purpose of forming and effectuating the aforesaid combination and conspiracy, DEFENDANT TRIPLETT, PVE, EUROTECH, and other co-conspirators did those things that they combined and conspired to do, including, among other things:

(a) DEFENDANT TRIPLETT advising PVE that the Henry Pratt Company had potential customers interested in purchasing certain surplus equipment to fulfill the needs of said customers' businesses and that DEFENDANT TRIPLETT would be involved in the Henry Pratt Company's purchase of said equipment;

- (b) DEFENDANT TRIPLETT and PVE agreeing that PVE would purchase from a third party on DEFENDANT TRIPLETT's and PVE's behalf certain surplus equipment of the kind that a potential customer of the Henry Pratt Company would be interested in purchasing;
- (c) DEFENDANT TRIPLETT and PVE agreeing that PVE would pay kickbacks to DEFENDANT TRIPLETT from the net profits from the resale of said surplus equipment by PVE;
- (d) PVE arranging for the purchase, and purchasing, from a third party the kind of surplus equipment that DEFENDANT TRIPLETT and PVE knew potential Henry Pratt Company customers would be interested in purchasing;
- (e) DEFENDANT TRIPLETT advising PVE that DEFENDANT TRIPLETT had arranged for the Henry Pratt Company to agree to purchase for resale to its potential customers certain surplus equipment that PVE had purchased from a third party;
- (f) DEFENDANT TRIPLETT advising PVE that the Henry Pratt Company would not agree to purchase the aforesaid surplus equipment from PVE if it knew that PVE were the seller;

(g) With DEFENDANT TRIPLETT's express knowledge and consent, PVE arranging for the surplus equipment the Henry Pratt Company wished to purchase to be sold by PVE to an unrelated company, EUROTECH (hereinafter "FRONT COMPANY EUROTECH"), at a price selected by DEFENDANT TRIPLETT and PVE, so as to conceal from the Henry Pratt Company the true source of that equipment, which was to be purchased with DEFENDANT TRIPLETT's assistance by the Henry Pratt Company from FRONT COMPANY EUROTECH;

(h) PVE advising FRONT COMPANY EUROTECH that the Henry Pratt Company would not agree to purchase the aforesaid surplus equipment from PVE if it knew PVE were the seller;

(i) FRONT COMPANY EUROTECH agreeing with PVE that it would assist in concealing from the Henry Pratt Company the fact PVE was the source of the aforesaid surplus equipment;

(j) PVE offering to compensate FRONT COMPANY EUROTECH for its participation in the scheme and FRONT COMPANY EUROTECH agreeing to accept said compensation for its participation;

(k) To help conceal the identity of PVE as the true source of said

surplus equipment, PVE and DEFENDANT TRIPLETT arranging for FRONT COMPANY EUROTECH to agree to sell the surplus equipment to the Henry Pratt Company at a price which included an amount in excess of the price FRONT COMPANY EUROTECH had agreed to pay PVE for the equipment;

(l) In accordance with their agreement, PVE and DEFENDANT TRIPLETT splitting the net proceeds from the sale of the surplus equipment to FRONT COMPANY EUROTECH, with PVE making substantial kickback payments to DEFENDANT TRIPLETT from PVE's accounts; and

(m) During the course of the conspiracy, neither DEFENDANT TRIPLETT, PVE nor FRONT COMPANY EUROTECH disclosed to the Henry Pratt Company the fact that DEFENDANT TRIPLETT was taking kickbacks from PVE for DEFENDANT TRIPLETT's role in arranging for the purchase of surplus equipment by the Henry Pratt Company from PVE through FRONT COMPANY EUROTECH or that PVE was the true source of said equipment.

IV. OVERT ACTS

9. In addition to mailings of documents which DEFENDANT TRIPLETT, PVE, FRONT COMPANY EUROTECH, and other co-conspirators made and caused to be made by means of the United States mail and interstate telephone calls, facsimiles, and wire transfers made and caused to be transmitted in furtherance of the aforesaid conspiracy, the following DEFENDANT TRIPLETT payments were made by PVE on or about the following dates to DEFENDANT TRIPLETT, by the following means and methods, in furtherance of the aforesaid kickback scheme:

<u>Payment</u>	<u>Date Transmitted</u>	<u>Method of Payment</u>
\$4,000.00	May 3, 1996	Wire transfer originating at Texas financial institution and received at Illinois financial institution
\$6,000.00	July 8, 1996	Wire transfer originating at Texas financial institution and received at Illinois financial institution
\$20,000.00	July 15, 1996	Wire transfer originating at Texas financial institution and received at Illinois financial institution
\$10,000.00	August 22, 1996	Wire transfer originating at Texas financial institution and received at Illinois financial institution

\$15,000.00	October 7, 1996	Wire transfer originating at Texas financial institution and received at Illinois financial institution
\$12,996.13	November 7, 1996	Wire transfer originating at Texas financial institution and received at Illinois financial institution
\$5,052.50	April 1, 1997	Wire transfer originating at Texas financial institution and received at Illinois financial institution
\$3,775.25	June 13, 1997	Wire transfer originating at Texas financial institution and received at Illinois financial institution
\$8,234.50	September 3, 1997	Wire transfer originating at Texas financial institution and received at Illinois financial institution
\$1,543.10	October 24, 1997	Wire transfer originating at Texas financial institution and received at Illinois financial institution
\$8,000.00	February 19, 1998	Wire transfer originating at Texas financial institution and received at Northern District of Georgia financial institution

\$4,000.00	March 16, 1998	Wire transfer originating at Texas financial institution and received at Northern District of Georgia financial institution
\$3,913.00	May 19, 1998	Check sent by United States mail from Texas and received in the Northern District of Georgia

V. JURISDICTION AND VENUE

10. The conspiracy charged in this Indictment was formed and carried out, in part, in the Northern District of Georgia, Atlanta Division,

within the five years preceding the filing of this Indictment.

ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE,
SECTION 371.

Dated this 20th day of November, 2002.

A TRUE BILL:

/S/
Foreperson

/S/
CHARLES A. JAMES
Assistant Attorney General

/S/
NEZIDA S. DAVIS
Chief, Atlanta Field Office
Georgia Bar No. 642083

/S/
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Deputy Assistant Attorney General

/S/
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