



# Department of Justice

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## **ALABAMA COMPANY CHARGED WITH CONSPIRING TO DEFRAUD VALVE MANUFACTURER**

WASHINGTON, D.C. -- An Alabama company was charged today with conspiring to commit mail and wire fraud in connection with a kickback scheme used to defraud a valve manufacturer, the Department of Justice announced.

A one-count felony charge was filed in U.S. District Court in Atlanta against Industrial Valve Sales & Service, Inc. (Industrial Valve) of Prichard, Alabama, for participating in a conspiracy to defraud the Henry Pratt Company of Aurora, Illinois. Henry Pratt is a manufacturer and supplier of equipment used in water and wastewater treatment plants, nuclear power plants, and other industrial installations. Pursuant to the charged conspiracy, Industrial Valve made more than \$20,000 in kickback payments to a now former Pratt employee who arranged for Pratt to make purchases from Industrial Valve. Industrial Valve participated in the conspiracy from September 1997 until April 1998.

“This type of scheme deprives companies of their right to fair and competitive pricing,” said James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division’s Criminal Enforcement Program.

Today’s case is the seventh to arise out of an ongoing investigation in Atlanta of the water and wastewater treatment equipment industry being conducted jointly by the Antitrust Division’s Atlanta Field Office and the Federal Bureau of Investigation in Atlanta.

Industrial Valve is charged with violating 18 U.S.C. § 371, which carries a maximum fine of \$500,000 for a corporation. The maximum fine may be increased 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.

Anyone with information concerning bid rigging or kickbacks in the water and wastewater treatment equipment industry should contact the Atlanta Office of the Antitrust Division at (404) 331-7100.

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