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NOV 13 2002

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

LUTHER D. THOMAS, Clerk
By: *[Signature]*
Deputy Clerk

UNITED STATES OF AMERICA)	Criminal No.: 1:02-CR-696
)	
v.)	Filed:
)	
EUROTECH INDUSTRIES,)	
INC.,)	
)	Violation:
Defendant.)	18 U.S.C. § 371
)	

INFORMATION

The United States of America, acting through its attorneys, charges:

CONSPIRACY
(18 U.S.C. § 371)

1. EUROTECH INDUSTRIES, INC. (hereinafter "Eurotech") is hereby made a defendant on the charge stated below.

I. DEFENDANT AND CO-CONSPIRATORS

2. During the period covered by this Information, Eurotech was a corporation organized and existing under the laws of the State of Texas with its principal place of business in Houston, Texas.

3. During the period covered by this Information, 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.

4. From at least as early as early 1996 until December 31, 1997, Co-Conspirator Number One (hereinafter "CC-1") was an employee of the Henry Pratt Company who lived in Illinois. CC-1 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.

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, the defendant, PVE, CC-1, 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 and 1343.

6. It was a part and object of said conspiracy that the defendant, PVE, CC-1, and other co-conspirators, having devised and intending to devise a scheme and artifice to (a) defraud the Henry Pratt Company and (b) obtain money from the Henry Pratt Company by means of false and fraudulent pretenses, representations, and promises, 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 PVE and CC-1 in which defendant agreed with PVE to act as its front company for the express purpose of concealing from the Henry Pratt Company the true source of equipment the Henry Pratt Company was purchasing from defendant. The Henry Pratt Company relied on CC-1 to conduct his work on the company's behalf in an honest fashion so as to benefit his employer, including his work in helping to secure equipment for resale by the company. However, as a result of the scheme and artifice to defraud, PVE paid kickbacks to CC-1 for CC-1'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, PVE and CC-1 concealed from the Henry Pratt Company PVE's participation in the obtaining of the equipment and the payments of kickbacks by PVE to CC-1, using defendant as a front company to conceal the source of said equipment. Defendant 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 CC-1 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, the defendant, PVE, CC-1, and other co-conspirators did those things that they combined and conspired to do, including, among other things:

- (a) CC-1 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 CC-1 would be involved in the Henry Pratt Company's purchase of said equipment;
- (b) CC-1 and PVE agreeing that PVE would purchase from a third party on CC-1 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) PVE arranging for the purchase, and purchasing, from a third

party the kind of surplus equipment that CC-1 and PVE knew potential Henry Pratt Company customers would be interested in purchasing;

(d) CC-1 advising PVE that CC-1 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;

(e) PVE and CC-1 agreeing that PVE would pay kickbacks to CC-1 from the net profits from the resale of said surplus equipment by PVE;

(f) CC-1 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 CC-1'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, defendant Eurotech

(hereinafter "front company Eurotech"), at a price selected by PVE and CC-1, so as to conceal from the Henry Pratt Company the true source of that equipment, which was to be purchased with CC-1'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 CC-1 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 CC-1 splitting the net proceeds from the sale of the surplus equipment to front company Eurotech, with PVE making kickback payments to CC-1 from PVE's accounts; and

(m) During the course of the conspiracy, neither PVE, front company Eurotech nor CC-1 disclosed to the Henry Pratt Company the fact that CC-1 was taking kickbacks from PVE for CC-1'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 front company Eurotech, PVE, CC-1, 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 payments were made by defendant Eurotech on or about the following dates to PVE, 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>
\$58,140.00	May 3, 1996	Check sent by United States mail from Texas and received in Texas
\$13,300.00	April 15, 1996	Check sent by United States mail from Texas and received in Texas
\$87.02	April 24, 1996	Check sent by United States mail from Texas and received in Texas
\$22,610.00	May 23, 1996	Check sent by United States mail from Texas and received in Texas
\$30,400.00	July 1, 1996	Check sent by United States mail from Texas and received in Texas
\$1,002.25	August 8, 1996	Check sent by United States mail from Texas and received in Texas
\$4,875.00	August 12, 1996	Check sent by United States mail from Texas and received in Texas
\$2,850.00	September 17, 1996	Check sent by United States mail from Texas and received in Texas
\$2,850.00	September 23, 1996	Check sent by United States mail from Texas and received in Texas

\$6,460.00	January 31, 1997	Check sent by United States mail from Texas and received in Texas
\$3,990.00	February 17, 1997	Check sent by United States mail from Texas and received in Texas
\$6,460.00	May 30, 1997	Check sent by United States mail from Texas and received in Texas
\$16,910.00	August 27, 1997	Check sent by United States mail from Texas and received in Texas
\$3,230.00	October 17, 1997	Check sent by United States mail from Texas and received in Texas
\$10,450.00	December 9, 1997	Check sent by United States mail from Texas and received in Texas
\$6,460.00	January 5, 1998	Check sent by United States mail from Texas and received in Texas
\$15,960.00	February 5, 1998	Check sent by United States mail from Texas and received in Texas

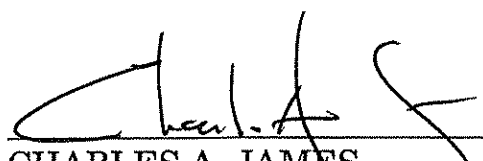
V. JURISDICTION AND VENUE

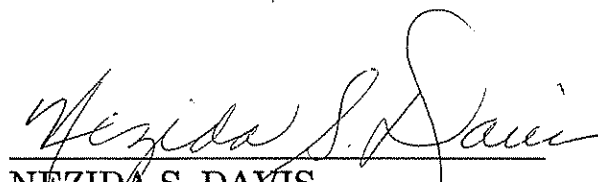
10. The conspiracy charged in this Information was formed and carried out, in part, in the Northern District of Georgia, Atlanta Division,

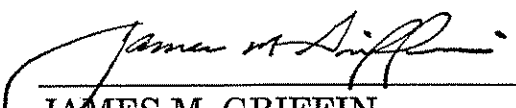
within the five years preceding the filing of this Information, by means of kickback payments made to CC-1 by PVE.

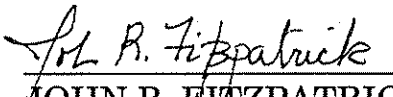
ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 371.

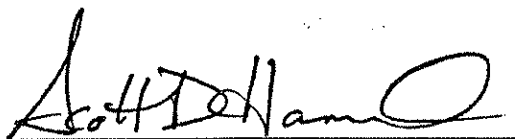
Dated this 13TH day of NOVEMBER, 2002.



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